



U.S. DEPARTMENT OF COMMERCE

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

AND

FY 2002 ANNUAL PERFORMANCE PLAN

Secretary's Foreword

As America moves forward in the 21st century, the Commerce Department's programs are more vital than ever to our Nation's economy and the living standards of our people; to our leadership in key areas of science, technology, and information; and to the management and stewardship of our resources.

Two years ago, we published our second Department-wide performance plan, for fiscal year (FY) 2000. This year we are pleased to report on the measures and targets we aimed to achieve in that plan and that we have met or exceeded 71 percent of our goals. In order to make these goals and results more useful to our stakeholders, we have chosen to combine our report on 2000 results with our plan for 2002 performance to create one document — *The FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan*. By putting this information into one document, we hope we have created a tool that is more relevant and useful to you, the reader.



The FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan also includes summaries of our key management challenges facing the Department. These include the implementation of a Department-wide financial management system; strengthening Department-wide information security; and strengthening financial management controls in order to maintain a "clean" opinion on the Department's consolidated financial statements.

The plan also includes summary tables specifying those targets that were met or not met. We continue to strengthen our capacity to implement the Government Performance and Results Act's requirements. However, we are still in the process of establishing the procedures which will give assurances that our performance information is not only appropriate, but also complete and reliable. It should be noted that the measures included in this Annual Program Performance Report and Annual Performance Plan were subject to basic review procedures, and we will be strengthening our data validation and verification methods.

The Department's first combined Annual Program Performance Report and Annual Performance Plan reports on our measures and targets for FY 2000 and presents our operational plans for FY 2002 as these were developed in concert with our FY 2002 budget request to Congress. The plan also discusses what the Commerce Department's programs will do with the resources that are being entrusted to us. Our new leadership team looks forward to working with Congress to ensure that the Department's mission and programs serve the American people most effectively. I am pleased to present this plan as a demonstration of all that this Department does to foster economic growth, technological advancement, and sustainable development.

Donald L. Evans

Secretary of Commerce

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Executive Summary

Overview

This combined FY 2000 Annual Program Performance Report (APPR) and FY 2002 Annual Performance Plan (APP) responds to the requirements of the Government Performance and Results Act (GPRA). The combined volume is a highly important one, because it:

- Presents our Strategic Goals and explains how they integrate our program activities
- Discusses bureau-by-bureau performance goals and measures that are used in managing the Department's programs
- Provides a review of our accomplishments for FY 2000
- Sets out reasonable goals that define what we will be accomplishing in FY 2002
- Gives members of the new Administration crucial information to use in directing the Commerce Department's activities in FY 2002 and beyond.

In this FY 2000 APPR/FY 2002 APP, we have provided consistent information for each of the Commerce Department's major programs, using a standardized information gathering and assessment approach. As a result, we provide the significant information for each bureau, including:

- Mission statement and organization structure
- Ongoing priorities, and management and administrative challenges
- Summary of the performance goals and measures used, and the resources devoted to them
- Rationale behind the goal
- Year-by-year information about performance measure targets and accomplishments
- Explanation for how we validate and evaluate our measures

At the end of this Executive Summary is a table that lists our performance goals and measures, and shows if we met (or did not meet) our targets for FY 2000.

The Commerce Department Mission Statement and Strategic Goals

The Department of Commerce promotes job creation and improved living standards for all Americans by creating an infrastructure that encourages economic growth, technological competitiveness, and sustainable development.

We pursue this mission through three Strategic Goals and a Management Integration Goal that are supported by outcome-oriented objectives. Each bureau in the Department of Commerce has specific performance goals and measures tied directly to this structure, and most of the information contained in this FY 2000 Annual Program Performance Report/FY 2002 Annual Performance Plan illustrates bureau-by-bureau the Department's progress in meeting our program goals. Our Strategic Goals are:

- *Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.* In this Goal, we will encourage and support economic expansion and increase the prosperity of all Americans. We recognize the importance of job creation, the need for sound information for effective decision-making, and the need to build strong communities that can support economic expansion.
- *Strategic Goal 2: Provide the infrastructure for innovation to enhance U.S. competitiveness.* In pursuing this Goal, we will provide the infrastructure that will enable U.S. businesses to maintain their technological advantage in world markets. Globalization and the technology-driven productivity gains of the new economy are providing us with new challenges. Continued partnership, collaboration, and cooperation between the Department of Commerce and industry will enhance and promote the technological edge of the U.S.

- Strategic Goal 3: *Observe and manage the Earth's environment to promote sustainable growth.* Under this Goal, we envision a 21st century in which environmental stewardship, assessment, and prediction serve as keystones for enhancing economic prosperity and quality of life, improving the protection of lives and property, and strengthening the U.S. balance of trade.

Our Management Integration Goal — *To strengthen management at all levels* — adds a crucial overlay to the Strategic Goals. Achievement of this goal is essential to establishing and maintaining the administration/management within which our programs may operate, and using our resources effectively to support program operations.

Highlights of Commerce Activities

As one of the Federal government's most diverse departments, the Department of Commerce affects the lives of all Americans, every day, due to the array of services we provide. We make possible the weather reports that are heard every morning; we facilitate use of the technology that is familiar in the workplace and in the home; we gather the data that are used by the public and private sectors to assist important policy and business decisions; and we support the environmental and economic health of U.S. communities. As America advances into the 21st century, the Commerce Department's ability to support information-based business development will be critical for supporting overall economic growth. Among our program highlights in 2000 were:

- The Census Bureau conducted the nation's 22nd decennial census, our Nation's largest peacetime mobilization of resources. Due to the strong management of this build-up and excellent performance of automated systems, every major operation performed better than or as expected, and costs were below budget. Most significantly, the Census achieved a 67 percent response rate from American households that returned their Census forms by mail or completed a questionnaire via the Internet or telephone. This reversed a 30-year slide in census participation. The General Accounting Office (GAO) commended the Census Bureau on successfully completing the data collection phase of the census and removed it from the list of high-risk programs.
- The National Oceanic and Atmospheric Administration (NOAA) celebrated its 30th anniversary as a Federal agency on October 3, 2000. The anniversary was an important milestone for NOAA, particularly because it came as we are facing the growing challenges of describing and predicting changes in the Earth's environment and of conserving and managing the nation's coastal and marine resources.
- The International Trade Administration (ITA) established an ITA-wide China Team and sent a compliance officer to work with and to assess the needs of the U.S. business community in China. In addition, we organized a technical training group that traveled to China to provide support to Chinese government officials in their efforts to comply with World Trade Organization (WTO) obligations.
- The National Institute of Standards and Technology (NIST) commissioned a new atomic clock based on NIST-pioneered laser-cooling and trapping science. The new clock's extraordinary accuracy — to one second in nearly 20 million years — is critical for navigation using the Global Positioning System (GPS), synchronizing telecommunications, cutting-edge scientific research, and commercial applications including the financial markets, which use NIST time to ensure the proper sequence of hundreds of billions of dollars of electronic transactions every day.
- The effort to close the digital divide and promote digital inclusion lies at the heart of the mission of the National Telecommunications and Information Administration (NTIA). In October 2000, NTIA released their fourth report ("Falling Through the Net: Toward Digital Inclusion"), which assessed the availability of computers and Internet access and, for the first time, included statistical information on the deployment of broadband telecommunications services for persons with disabilities.

- On December 10, 1999, the U.S. Patent and Trademark Office (USPTO) issued its 6 millionth patent in a special ceremony at the Herbert C. Hoover Auditorium. The recipient was 3Com Corporation, which was awarded a patent for its HotSync Technology, regarding handheld devices.
- With the successful implementation of the Advanced Weather Interactive Processing System (AWIPS) in August 2000, the National Weather Service (NWS) completed its modernization effort. AWIPS gives forecasters the tools to rapidly analyze the data, integrate it with the information provided by weather service guidance centers, and prepare timely and accurate warnings and forecasts. The NWS will be removed from the Office of Inspector General's (OIG's) list of top 10 management challenges and from the GAO's high-risk report.
- In October 1998, Congress passed the Chemical Weapons Convention (CWC), implementing legislation that was subsequently signed into law. The Bureau of Export Administration (BXA) is compiling data and hosting Organization for the Prohibition of Chemical Weapons (OPCW) inspections at U.S. companies covered by the CWC. In accordance with the treaty, BXA completed the creation of an information management system to comply with the treaty's reporting requirements and held eight outreach seminars around the country.
- NIST organized a worldwide competition to select a new encryption technique to protect computerized information. The new Advanced Encryption Standard (AES) will be an official U.S. Government information security standard. AES is expected to be adopted by the private sector to protect credit card numbers exchanged over the Internet, guarantee the security of computerized medical and personnel records, and provide security for information exchanges that are vital to the continuing growth of E-commerce.
- In FY 2000, the Economic Development Administration (EDA) continued to support national brownfields redevelopment efforts, supporting the revitalization and return to productive use of idle, abandoned, or under-used former commercial and industrial sites. Three of the ten national Phoenix Awards winners, including the 2000 Grand Prize winner, are EDA-supported projects. The Phoenix Awards honor groups that have implemented innovative, practical programs remediating environmental contamination at brownfields sites and that have simultaneously stimulated economic development and job creation or retention.
- ITA has launched an Internet site, www.trade.gov, to complement the Department's export portal at www.export.gov. The new site is organized according to customer interests, making it easy for visitors to find information. In addition, in FY 2000 we strengthened our trade promotion efforts by developing a series of dynamic E-business strategies.
- Public Law 106-113 established the USPTO as a performance-based organization (PBO) subject to the policy direction of the Secretary of Commerce. This allows the USPTO to achieve greater efficiency by operating as a commercial business and exercising control of its administrative and management decisions. The President appoints the new Under Secretary of Commerce for Intellectual Property and Director of the USPTO. The patent and trademark operations will be treated as separate operating units, each led by a Commissioner appointed by the Secretary of Commerce.

The Department of Commerce's GPRA Activities

Since the inception of GPRA, the Department of Commerce has submitted all required reports, and we have integrated our established budget process and our GPRA requirements. The Department has also been active in government-wide activities that directly involve GPRA or share the same purposes as GPRA. For example, the Secretary of Commerce and several Department of Commerce programs have the lead responsibility for interagency program planning and integration in specific high-impact areas, such as the Trade Promotion Coordinating Committee (TPCC). In addition, we are a founding member and the central agency in the National Academy of Public Administration's Performance Consortium, which brings together major Federal agencies including the Office of Management and Budget (OMB), the General Accounting Office (GAO), and Congressional staffs, to provide a forum for developing effective approaches for strategic planning and performance measurement.

We are serious about taking every opportunity to improve the usefulness and quality of our GPRA documents. We have worked closely with GAO in their reviews of Department of Commerce programs, as well as reviews of our GPRA documents. The Congressional Research Service has examined some of our documents as well. We have viewed all of these reviews as opportunities to receive constructive comments on ways to sharpen our goals and measures, and we have examined those reviews carefully in preparing this APPR/APP. As a result, we have:

- Made our Strategic Goals more clear and our performance goal statements more descriptive and outcome-oriented
- Explained the purposes of our performance goals and measures more clearly
- Provided additional information about program evaluation, as well as data verification and validation
- Ensured that corrective or follow-up actions are provided in cases where a program's annual performance targets were not met.

As a result of this process, we believe that we have produced an APPR/APP that is more responsive to the needs of our programs' users, more helpful to those who have priority-setting and resource allocation responsibilities, and more effective as management tools for our internal staffs.

Department of Commerce FY 2000 APPR Performance

Results by Bureau

Bureaus	# Goals	# Measures	MET	NOT MET
EDA	2	12	11	1
ESA	3	5	5	
ITA	4	6	4	2
BXA	4	10	5	5
MBDA	2	3	1	2
NOAA	7	27	17	10
USPTO	3	6	4	2
TA	6	7	3	4
NTIA	3	3	2	1
DM	3	16	15	1
Totals:	37	95	67	28
% Met		71%		

The Department of Commerce's History and Recent Accomplishments

The Department of Commerce is one of the oldest cabinet-level departments in the United States. Originally established by Congressional Act on February 14, 1903 as the Department of Commerce and Labor (32 Stat. 826; 5 U.S.C. 591), it was subsequently renamed the U.S. Department of Commerce by President William H. Taft on March 4, 1913 (15 U.S.C. Section 1512). The new Department's role was and is to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, and fishery industries of the United States.

Financial and Personnel Resources

The Department's FY 2000 budget was approximately \$8.67 billion. This was substantially higher than the FY 1999 budget of \$5.39 billion, in large part due to additional funding provided for the 2000 Census. The enacted level for FY 2001 is \$5.13 billion and 39,714 FTE, and the FY 2002 budget request is \$4.75 billion and 37,025 FTE.

Highlights of Commerce Activities

As one of the Federal government's most diverse departments, the Department of Commerce affects the lives of all Americans, every day, due to the array of services we provide. We make possible the weather reports that are heard every morning; we facilitate use of the technology that is familiar in the workplace and in the home; we gather the data that are used by the public and private sectors to assist important policy and business decisions; and we support the environmental and economic health of U.S. communities. As America advances into the 21st century, the Commerce Department's ability to support information-based business development will be critical for supporting overall economic growth.

We provide the basic economic research data necessary for sound business decisions and we promote the use of science and technology in the production of consumer goods and services. We develop international trade opportunities through our offices in the United States and in many foreign countries. We administer the legislation that helps U.S. industry and labor counter unfair trade practices.

Our oceanic and atmospheric programs improve the understanding and rational use of the natural environment to further the Nation's safety, welfare, security, and commerce. Our responsibilities include predicting the weather, charting the seas, protecting ocean resources, and collecting data on the oceans, space, and sun.

Domestically, our programs promote long-term enterprises that create jobs for minority groups and in underdeveloped areas across the United States. We support these programs with reports, publications, projections, and business expertise.

We provide leadership in civilian technology, trade promotion, economic development, sustainable development, and economic analysis.

Our programs serve the country's businesses, communities, and families. Among our major current activities and accomplishments are:

2000 Decennial Census

The Census Bureau conducted the nation's 22nd decennial census, our Nation's largest peacetime mobilization of resources. This effort included establishing 520 temporary field offices and hiring more than 500,000 temporary census workers to conduct the peak census operations. Due to the strong management of this build-up and excellent performance of automated systems, every major operation performed better than or as expected, and costs were below budget. We partnered with the private sector to create an automated data capture system using state-of-the-art optical mark and optical character recognition. This system was a major success: 99 percent of mark-sense and 80 percent of hand-written responses required no further actions. Actual

data collection activities proceeded on or ahead of schedule. Most significantly, the census achieved a 67 percent response rate from American households that returned their Census forms by mail or completed a questionnaire via the Internet or telephone. This reversed a 30-year slide in census participation. The Census Bureau believes it can attribute the success of Census 2000 to strong management and the organization of its workforce and regional office structure; improvements in its use of geographic systems, better design and processing of questionnaires; and improved publicity and partnering arrangements. The General Accounting Office (GAO) commended the Census Bureau on successfully completing the data collection phase of the census and removed it from the list of high-risk programs.

Thirty Years of Excellence at NOAA

The National Oceanic and Atmospheric Administration (NOAA) celebrated its 30th anniversary as a Federal agency on October 3, 2000. The anniversary was an important milestone for NOAA, particularly because it came as we were entering a new millennium, facing the growing challenges of describing and predicting changes in the Earth's environment and of conserving and managing the nation's coastal and marine resources. We have chosen to mark the anniversary as a time to begin to build the next generation of scientists and environmental stewards.

Permanent Trade with China

In the past year, the International Trade Administration (ITA) has supported efforts to secure passage of legislation granting permanent normal trade relations status to China and has supported subsequent efforts to finalize China's terms of accession to the World Trade Organization (WTO). In FY 2000, we established an ITA-wide China Team and sent a compliance officer to work with and to assess the needs of the U.S. business community in China. In addition, we organized a technical training group that traveled to China to provide support to Chinese government officials in their efforts to comply with WTO obligations.

Between June and November 2000, the Department of Commerce organized 10 seminars, held throughout the United States, to highlight information on export opportunities in China and to explain the changes brought about by WTO regulations. China's commercial section participated via videoconference link-up in several of these seminars. The five posts of ITA's commercial section in China (in Beijing, Chengdu, Guangzhou, Shanghai, and Shenyang) together hosted 72 trade missions during the course of the year; supported 106 other trade events; provided 63 Gold Keys; conducted 46 Agent Distributor Searches; and submitted 29 Industry Sector Analyses and 193 International Market Insights.

NIST Helps the United States Tell Time More Accurately

The National Institute of Standards and Technology (NIST) maintains the U.S. national standards for fundamental measurements, including time. In FY 2000, NIST commissioned a new atomic clock based on NIST-pioneered laser cooling and trapping science. The new clock's extraordinary accuracy to one second in nearly 20 million years is critical for navigation using the Global Positioning System (GPS), synchronizing telecommunications, and cutting-edge scientific research. NIST also made significant improvements in disseminating accurate time to our many customers throughout the United States, including the financial markets, which use NIST time to ensure the proper sequence of hundreds of billions of dollars of electronic transactions every day.

NTIA Efforts to Close the Digital Divide

The effort to close the digital divide and promote digital inclusion lies at the heart of the mission of the National Telecommunications and Information Administration (NTIA). In October 2000, NTIA released their fourth report ("Falling Through the Net: Toward Digital Inclusion"), which assessed the availability of computers and Internet access and, for the first time, included statistical information on the deployment of broadband telecom-

munications services for persons with disabilities. The report, produced by NTIA during FY 2000 and based on Census data, was compiled jointly with the Economics and Statistics Administration (ESA). NTIA also established and maintains a government-wide Internet site (www.digitaldivide.gov) that serves as a clearinghouse for related Federal reports, resources, and initiatives and for information on private sector initiatives. To address the global digital divide that exists within and between developed and less-developed countries, NTIA advocated policies and assisted with efforts undertaken by the G-8 Digital Opportunity Task Force, the Organization for Economic Cooperation and Development (OECD), and the Asia-Pacific Economic Cooperative (APEC).

Six Millionth Patent Granted

On December 10, 1999, the U.S. Patent and Trademark Office (USPTO) issued its 6 millionth patent in a special ceremony at the Herbert C. Hoover Auditorium. The recipient was 3Com Corporation, which was awarded a patent for its HotSync Technology regarding handheld devices.

Implementation of AWIPS Marks the Completion of NWS's Modernization Program

With the successful implementation of the Advanced Weather Interactive Processing System (AWIPS) in August 2000, the National Weather Service (NWS) completed its modernization effort, an effort that should produce dramatic improvements in our weather services. AWIPS acquires data from advanced observation systems and gives forecasters the tools to rapidly analyze the data, integrate it with the information provided by weather service guidance centers, and prepare timely and accurate warnings and forecasts for dissemination to the public and the media. By successfully completing this modernization effort, the NWS will be removed from the Office of Inspector General's (OIG's) list of top 10 management challenges and from the GAO's high-risk report.

NIST Helps Open Electronic Books to Blind Readers

National Institute of Standards and Technology (NIST) engineers have developed a new prototype, a low-cost Braille reader to help blind readers to use electronic books. Braille readers convert electronic text into raised Braille dots, and currently can cost \$15,000 or more. NIST expects to transfer the technology to the private sector, which should result in Braille readers retailing for about \$1,000. In addition, conventional Braille texts are usually not available until at least 18 months after printed books are published. A low-cost Braille reader will make the technology accessible to more people and enable America's blind and visually impaired consumers to read electronic books as soon as they are released at a cost that makes them affordable for more people.

Implementation of the Chemical Weapons Convention

In October 1998, Congress passed the Chemical Weapons Convention (CWC), implementing legislation that the President subsequently signed into law. The Bureau of Export Administration (BXA) is the Department of Commerce's lead agency responsible for compiling data declaration forms and for hosting Organization for the Prohibition of Chemical Weapons (OPCW) inspections at U.S. companies covered by the CWC. In accordance with the treaty, BXA has promulgated final regulations that authorize the collection of data on the production, consumption, processing, import, and export of certain chemicals, and to manage inspections carried out by the OPCW. In FY 2000, we completed the creation of an information management system to comply with the treaty's reporting requirements and held eight outreach seminars around the country. BXA is also responsible for managing international inspections at U.S. commercial facilities selected from the data submitted to the OPCW. The first OPCW inspection was held in May, and was followed by 11 more inspections in the remaining months of FY 2000. In total, we collected almost 3,000 declarations and reports from more than 700 sites.

NIST Announces Winner of Worldwide Information Security Competition

In October 2000, a National Institute of Science and Technology (NIST)-organized worldwide competition ended with the selection of a new encryption technique to protect computerized information. The new Advanced Encryption Standard (AES) will be an official U.S. Federal Government information security standard. AES is expected to be broadly adopted by the private sector worldwide to protect credit card numbers exchanged over the Internet, guarantee the security of computerized medical and personnel records, protect the privacy of E-mail exchanges, and provide security for many other information exchanges that are vital to the continuing growth of E-commerce. Where advanced computers can crack most current encryption technology, the new AES is expected to remain uncrackable for the next 30 years.

EDA Brownfields Redevelopment Project Wins Grand Prize at Phoenix Awards

In FY 2000, the Economic Development Administration (EDA) continued to champion national brownfields redevelopment efforts, supporting the revitalization and return to productive use of many idle, abandoned, or under-used former commercial and industrial sites. Our success in this area is highlighted by the fact that 3 of the 10 national Phoenix Awards winners, including the 2000 Grand Prize winner, are EDA-supported projects. The Phoenix Awards honor individuals and groups that have implemented innovative, practical programs remediating environmental contamination at brownfields sites and that have simultaneously stimulated economic development and job creation or retention. The winning EDA-funded projects are the Huntington Industrial Center, Huntington, West Virginia (Grand Prize winner); the Lewis and Clark Redevelopment Area, Kansas City, Missouri; and the Northside Treatment Plant Redevelopment, Denver, Colorado.

Baldrige National Quality Program

Congress established the Malcolm Baldrige National Quality Award program in 1987 to recognize U.S. organizations for their achievements in quality and business performance and to raise awareness of the importance of quality and performance excellence as a competitive edge. Three awards may be given annually in each of the following categories: manufacturing, service, small business, education, and health care. The education and health care categories were added in 1999, and have received wide praise and are expected to generate broad benefits. The 2000 Award winners were the Dana Corporation, Spicer Driveshaft Division (Toledo, Ohio); Karlee Company, Inc. (Garland, Texas); Operations Management International, Inc. (Greenwood Village, Colorado); and Los Alamos National Bank (Los Alamos, New Mexico).

Technology Demonstration Center

In September 2000, the Technology Administration established a Technology Demonstration Center at the Department of Commerce, a public-private collaboration designed to promote a better understanding of technology's impact on the United States. The center provides a venue for the public and private sectors to display and demonstrate emerging technologies in a variety of areas, such as medical and biotechnology, E-commerce (electronic business via the Internet), wireless communications, manufacturing, and education. It will serve as a neutral platform for open discussion about the impact of technology on policy and hopes to raise the collective awareness of technology developments within the government framework.

Electronic Advancements at ITA

The ITA has launched an Internet site, www.trade.gov, to complement the Department of Commerce's export portal at www.export.gov. The new site is organized according to customer interests, making it easy for visitors to find information even if they have little knowledge of ITA's structure. In addition, in FY 2000 we strengthened our trade promotion efforts by developing a series of dynamic E-business strategies. These include the launch of E-ExpoUSA, a virtual trade show of U.S. export products and services that instantly directs

interested buyers to U.S. suppliers; introduction of a videoconferencing network that is installed at domestic Department of Commerce offices and at U.S. embassies and consulates overseas; the launch of www.usatrade.gov, an Internet site for U.S. exporters that offers six video programs addressing a variety of international trade topics; the launch of the Export Finance Matchmaker Internet site, which helps exporters and international buyers find financial backers for their cross-border sales or purchases; and the introduction of Push Technology, which automatically delivers trade leads and market research reports via E-mail alerts. We also created the United States' first publicly accessible international trade agreements' database, available at the Department's Trade Compliance Center (TCC) Internet site, TCC Online, at www.mac.doc.gov/tcc.

USPTO: Performance-Based Organization

At the beginning of FY 2000, Public Law 106-113 established the USPTO as a performance-based organization subject to the policy direction of the Secretary of Commerce. This approval will allow the USPTO to achieve greater efficiency by operating as a commercial business and exercising independent control of its administrative and management decisions. The new office will be headed by an Under Secretary of Commerce for Intellectual Property and Director of the USPTO, appointed by the President. The patent and trademark operations will be treated as separate operating units, each led by a Commissioner appointed by the Secretary of Commerce.

Private Sector Participation Increases in NOAA's Marine and Aeronautical Collection of Data

Congress, the OIG, the GAO, and others have long been concerned about how the NOAA can most efficiently and effectively obtain its marine and aeronautical data. In recent years, NOAA has made considerable progress in expanding the private sector's participation in this effort. As a result, NOAA was removed on September 30, 2000 from the OIG list of top ten management challenges and from GAO's high-risk report.

Overview of the FY 2000 Annual Program Performance Report/ FY 2002 Annual Performance Plan

Purpose

This combined FY 2000 Annual Program Performance Report (APPR) and FY 2002 Annual Performance Plan (APP) is submitted in accordance with the requirements of the Government Performance and Results Act (GPRA). The combined volume is a highly important one, because it:

- Is a vital companion document to the Department of Commerce's FY 2002 budget request
- Provides a review of our accomplishments for FY 2000
- Sets out reasonable goals that define what we will be accomplishing in FY 2002
- Gives members of the new Administration crucial information to use in directing our activities in FY 2002 and beyond.

The Contents of this Document

This FY 2000 APPR/FY 2002 APP responds to the GPRA annual reporting requirements, and it contains vital information organized into several key sections:

- A history of the Department of Commerce's and a review of our recent activities
- A summary and explanation of the Department of Commerce's strategic goals and how they are used to integrate our program activities
- A summary and explanation, bureau by bureau, of our major programs and of the goals and measures that we use in managing them.
- Summary tables which show planned and actual accomplishments under our performance measures.

We have provided consistent information for each of our major programs, using a standardized information gathering and assessment format. As a result, we provide the following information for each program bureau:

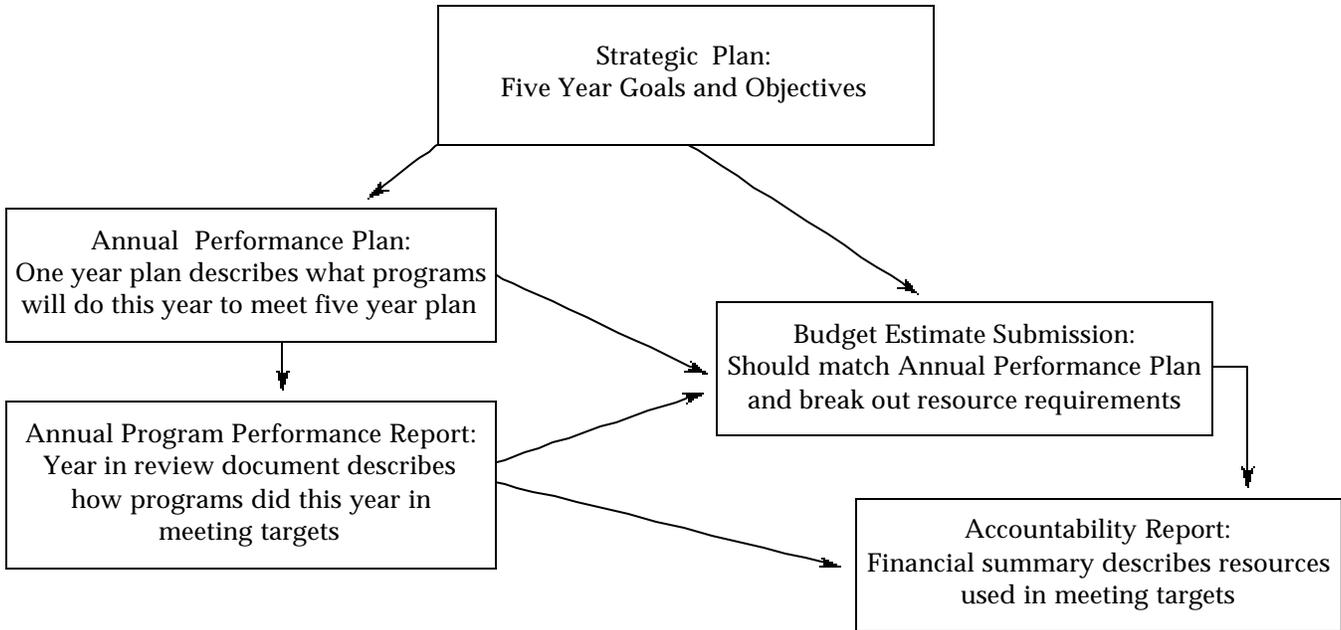
- Mission statement and organization structure
- Ongoing priorities
- Management and administrative challenges,
- Summary of the performance goals and measures used, and the resources devoted to those goals
- Rationale behind the goal
- Year-by-year information about performance measure targets and accomplishments
- Explanation for how we validate and evaluate our measures
- What we are doing to correct problems found through an analysis of performance measure information
- Discussion on how each program may relate to programs in the Department Commerce or other agencies
- Identification of external factors that may impact the environment within which our programs operate.

The Department of Commerce's GPRA Activities

To guide its activities under the Government Performance and Results Act (GPRA), the Department of Commerce established a 2-tiered Task Force, led by the Office of the Secretary and staffed by our program bureaus. One Task Force, consisting of senior bureau managers, meets at the start of the annual GPRA cycle and at several key points thereafter. This group establishes the overall framework that will be followed for the year, and through its occasional meetings, ensures that the GPRA process remains on course and consistent with Departmental and bureau policies. The second Task Force consists of senior staff that is knowledgeable about bureau activities and who make substantive contributions to the GPRA documents themselves. We believe that

this approach of engaging both policy officials and operational staff is the most effective way to establish and implement an overall conceptual structure for linking our diverse program activities into an integrated whole, while also allowing the substance of our activities the bureaus and their programs to be seen clearly by their customers. Through this approach, our three Strategic Goals that focus on strengthening the U.S. economy, enhancing U.S. competitiveness, and supporting environmental management can clearly be translated into specific bureau programs, and the operations of our programs can be seen through their performance goals and measures. The ways in which we manage our GPRA process and link the key elements of planning and budgeting together are seen in the following diagram.

Relationships Within the GPRA Process



Since the inception of GPRA, the Department of Commerce has submitted all required reports, and we have integrated our established budget process and our GPRA requirements by:

- Placing the lead responsibility for GPRA within the Department-level Office of Budget, to ensure that at the very top level of the Department, the budget and GPRA processes will be conducted by the same staff
- Encouraging the Department of Commerce’s bureaus to follow this same integrated staffing model
- Modifying our budget reports, especially our budget justifications and our annual Budget in Brief, so that they integrate the display of budget and GPRA information.

The Department of Commerce has also been active in government-wide activities that directly involved GPRA or shared the same purposes as GPRA. For example, the Secretary of Commerce and several Department of Commerce programs have the lead responsibility for interagency program planning and integration in specific high-impact areas, such as the Trade Promotion Coordinating Committee. In addition, we are a founding member and the central agency in the National Academy of Public Administration’s Performance Consortium, which brings together major Federal agencies including the Office of Management and Budget (OMB), GAO, and Congressional staffs to provide a forum for developing effective approaches for strategic planning and performance measurement.

We are serious about taking every opportunity to improve the usefulness and quality of our GPRA documents, and we have sought to learn from the constructive comments made by official reviewers of our and other agencies' GPRA documents. We have worked closely with GAO in their reviews of Department of Commerce programs, as well as reviews of our GPRA documents. These reviews have been conducted according to established GAO models of evaluation and reporting, and cumulatively have focused on our GPRA documents as a whole, and on bureau-specific performance goals and measures. The Congressional Research Service has examined some of our documents as well. We have viewed all of these reviews as opportunities to receive constructive comments on ways to sharpen our goal and measures, and we have examined those reviews carefully in preparing this APPR/APP.

House and Senate Committees have taken an interest in all Federal agencies' GPRA documents, and have produced summary reviews, including scores of these documents. Although the scores were unfavorable to many agencies, the Department of Commerce has found merit in the overall set of review comments and has sought to identify ways in which they may be used to strengthen our GPRA documents. As a result, we have taken a series of substantive actions, all of which are clearly evident in our FY 2000-2005 Strategic Plan, as well as this combined APPR/APP. Specifically, we have:

- Focused our FY 2000-2005 Strategic Plan more on the specific roles and responsibilities of the individual bureaus, and less on the Department as a whole
- Made our Strategic Goals more clear and our performance goal statements more descriptive and outcome-oriented
- Reduced the number of performance goals for our programs to focus on a tighter group of priority areas
- Reduced the number of performance measures to increase focus on the vital few measures
- Increased the number of outcome measures and reduced the number of output measures, so that the more substantive benefits of our programs can be seen
- Explained the purposes of our performance goals and measures more clearly
- Provided additional information about program evaluation, as well as data verification and validation
- Identified other Federal programs that we work with, and described the linkage between the two
- Ensured that corrective or follow-up actions are provided in cases where a program's annual performance targets were not met.

As a result of this process, we believe that we have produced GPRA documents that are more comprehensible to our programs' users, more helpful to those who have priority-setting and resource allocation responsibilities, and more effective as management tools for our internal staffs.

At the same time, the Department of Commerce is an agency with complex missions, and some of our program missions remain especially difficult to measure in simple terms.

- Under a variety of different laws, we share responsibilities with several other Federal agencies in areas as diverse as trade promotion, export controls, assistance to small business, developmental assistance for communities, economic analysis, scientific research and development, technological advances, environmental protection, and education and training. We have cataloged our relationships with other agencies effectively, but at the same time, we are among the agencies that recognize the challenge of developing consistent and compatible performance goals and measures that can cut across agency and statutory lines. The Department of Commerce plans to address this challenge by seeking additional opportunities to develop common performance goals and measures with related agencies in the coming year.
- The Department of Commerce contains several vital programs that present additional measurement challenges because their nature is inherently longer-term. Our scientific research and development programs, technology development programs, community assistance programs, and job-creation programs are examples of activities that may have low-yield start-up phases and high-yield outyear payoffs. A methodology for measuring long term program success, that can demonstrate clear and compelling results, must be found to so that these programs can compete for funding in an environment that focuses on individual fiscal years.

How We Will Achieve Our Strategic Goals

Although the Department of Commerce's budget has usually been the smallest of any cabinet Department (except in Decennial Census years), the breadth of our activities and the legislatively mandated responsibilities that drive them has taken us into many different arenas, and it is through these that we achieve our strategic goals. These include:

- Direct operations, such as our trade promotion and weather prediction activities
- Infrastructure investment, such as our telecommunications and technology development programs
- Capital investment, such as our programs that bring public works facilities to communities in need of economic development
- Financial tools to help small or minority businesses to develop access to capital markets
- Economic and demographic information, which provides input for economic investment and business decisions all across the United States, supports the awarding of billions of dollars in Federal funding to state and local governments, and results in Congressional districting and redistricting
- Law enforcement, such as our export control and national security responsibilities
- Technology development and application, through our world-class scientific and technology laboratories and our intellectual property protection activities.

Although the Department of Commerce operates a number of its activities directly, we also conduct a number of programs in cooperation with other Federal agencies, with state and local governments, and with grantees and contractors. This sharing of responsibilities is essential if the Department of Commerce is to engage other agencies and levels of government especially those in closest contact with the American people in the day-to-day decision-making and service delivery activities essential to making these programs work successfully.

This combined APPR/APP focuses on our program accomplishments for FY 2000 in the areas cited above (and compares them to pre-set performance goals and measures), and it also lays out our intentions for the activities to be conducted with the resources contained in the FY 2002 budget request. In addition, the report provides insight into the Department of Commerce's internal activities as a Federal agency that are necessary to our successful operation and our effective support of program activities. These internal activities include financial management, human resource management, and related tasks.

How and Why We Select Our Performance Goals and Performance Measures

Other sections of this APPR/APP list and describe our performance goals and measures. This section explains how they were selected, and why the selection of measure can be a complex task.

Each Department of Commerce program is led by appointed or career staffs that have considerable experience in their fields, and the programs are operated under specific laws or Executive Orders. Based on these requirements, and over time and in consultation with stakeholder groups, program managers have outlined their core responsibilities, which must be contained in performance goals and measures. Starting with the passage of GPRA and through the specific approaches required by the Act, we undertook a rigorous and consistent look at the goals of our programs and how we will accomplish them. We wanted to ensure that this was visible at two levels — the immediate payoff (what we were accomplishing) in quantifiable terms, and the longer-term payoff (more difficult to measure), showing the impact of our accomplishments over time. For this reason, the APPR/APP includes both output measures (i.e., what we were accomplishing) as well as outcome measures (i.e., what impact we had).

The Department of Commerce, and all other Federal agencies, have found this challenge of identifying performance goals and measures that tell a full story to be difficult, but one which had to be addressed. Different stakeholders, and even different units within our programs, view goals or measures differently, and one reviewer's outcome may be another reviewer's output. Nevertheless, the Department of Commerce has paid

considerable attention to refining its list of performance goals and measures since the start of GPRA, and this APPR/APP reflects the latest and best effort to provide a comprehensive and balanced listing of outputs and outcomes.

Because most Department of Commerce programs are ongoing ones, it is natural to discuss our activities for the past year and the coming year together. Our tables and our program narratives in the bureau sections of this report provide information for the previous year, the current year, and the coming year to give the reader a more complete picture of where we have been, what we have accomplished, and where we are going. This cumulative presentation of data also clarifies and supports our resource request for the coming year.

But readers must be aware that understanding an agency's performance goals and measures, and the process of developing clear and easily grasped ones, can be a significant challenge. While some Department of Commerce programs produce easily measured results, others show results that are more complex, and some of the factors that cause this are:

- There is not always a one-for-one relationship between activities and resources, and observed results. Many Department of Commerce activities that are conducted in one year — technology innovation, economic development, business stimulation — will not produce results until one or more years in the future, and conversely, program results that take place in any one year may be the result of cumulative effort and/or previous years' funding.
- The Department of Commerce does not have direct control over much of the information needed to explain program results. For example, key information about how companies benefit from our international trade counseling may focus on areas that many companies consider proprietary, and they do not wish to divulge the information for fear of giving away a competitive advantage. Other information, which is produced over time by state or local grantees, is lost when the grantee ceases operation or when key staff leaves.
- Some topics do not lend themselves to simple quantitative measurement. The Department of Commerce has government-wide policy-setting responsibilities in telecommunications, science and technology, and other fields. While we believe that our policy-setting actions lead to more well informed decision-making processes, this outcome is difficult to measure — the results of policy-setting can really only be described by observers of the decision-making process or by peers in that specific field of science.
- Some Department of Commerce programs are influenced by factors beyond our control, such as the global economy, forces of nature, or the creative genius of U.S. science and technology, while other programs are influenced by the actions and decisions of other agencies or levels of government that are not subject to our legislation.
- Some programs do not show progress or results in a constant and ever-improving way yearly results of many programs must be examined in the context of a positive trend, rather than only one year. At the same time, other programs seek to maintain a certain level of output and ensuring a continuation of the status quo, such as 100 percent compliance with a goal or requirement, is an ideal result.
- For FY 2002, our performance goals and measures are linked to specific funding requests contained in our budget and shown in each bureau's section of the APPR/APP. In some instances, the levels of performance are dependent upon the availability of the specified level of funding, and lower funding will necessarily produce lower results.

Adjustments to the Strategic Plan

The FY 2000-FY 2005 Strategic Plan, upon which this APPR/APP is based, was issued while the APPR/APP was already under development, so much of the work on the two documents was performed at the same time, by essentially the same staff. Nevertheless, in preparing the APPR/APP, we revalidated the Strategic Plan's Strategic Goals, and reviewed our bureaus' performance goals. Other than minor clarifications of wording, there are no substantive differences between the performance goals in the Strategic Plan, and this APPR/APP.

Integrating the Strategic Goals and Bureau Activities

The three Strategic Goals form the framework within which all of our bureaus and programs operate. The dynamic linkage between the Goals and the bureau activities are our Strategic Objectives. This portion of the APPR/APP — in the very heart of the document — activates that linkage and details the performance goals and objectives of our programs.

The Strategic Objectives are presented and discussed here, and those discussions are followed by bureau-by-bureau detail in the next section of this APPR/APP.

STRATEGIC GOAL 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

The Department of Commerce's first goal is to encourage and support economic expansion and to increase the prosperity of all Americans, regardless of their geographical location or ethnic origin.

Objective 1.1

Provide the infrastructure to enable the participation of all Americans in the new economy.

Within the Department of Commerce, the NTIA is responsible for determining the policies and technical research necessary to provide access to the latest telecommunications technology and services to all Americans; for identifying the means, including the potential use of electronic signatures, by which privacy on the Internet may be assured and infrastructure protected; and for encouraging innovative use of the radio frequency spectrum. The ITA is responsible for assisting the growth of small export businesses; for enforcing U.S. trade laws and trade agreements; for maintaining U.S. trade with established markets and promoting new business in emerging markets, such as China; and for improving access to overseas markets by identifying and pressing for the removal of nontariff barriers. The EDA assists technology-based development in areas where local communities have fallen behind national levels of development, supporting those communities in their implementation of long-range, technology-based strategies for economic growth. The MBDA works with the Small Business Administration (SBA) and the EDA to facilitate access of minority-owned businesses to funding and loan guarantee programs to help these businesses grow.

Objective 1.2

Promote responsible economic growth and trade while protecting U.S. security.

The BXA seeks to advance U.S. national security, foreign policy, and economic interests by regulating exports of critical goods and technologies that could damage those interests while furthering the growth of legitimate U.S. exports to maintain our economic leadership. The BXA intends to accomplish this by enforcing compliance with those regulations; cooperating with like-minded nations to obtain global support for this effort; assisting nations that are key exporters or transit points for sensitive goods and technologies to strengthen their own transit and export controls; and monitoring the U.S. defense industrial base to ensure it remains strong. The ITA is responsible for improving access to foreign markets by enforcing compliance with U.S. trade agreements. The NTIA manages the radio spectrum, with the joint objectives of promoting the use of spectrum that most efficiently serves all Americans and by maintaining readiness to administer the U.S. telecommunications infrastructure in time of crisis. The responsibilities of the NOAA, the EDA, and the ITA include providing leadership for national and global efforts to protect the environment through education and awareness programs and trade negotiations that seek overseas' observance of laws governing dumping and subsidies.

Objective 1.3

Support the effective decision-making of policymakers, businesses, and the American public.

The ESA monitors and measures socioeconomic and macroeconomic trends. The BEA measures gross domestic product (GDP). An accurate assessment of the GDP is vital to decision-making on monetary policy, projections of Federal budget surpluses, and the allocation of federal funds to the States. The Census Bureau also provides statistical information about the economy and society. In the past this information has been gathered primarily through a decennial nationwide census; full implementation of the American Community Survey will, in the future, provide annual data revolutionizing the survey methodology of the federal statistical system. The Census Bureau also plans to develop official measures of electronic business (E-business) activity and evaluate how E-business affects existing measures of economic activity. The ITA further refines Census data, compiling and disseminating statistics on exports and trade in an effort to better monitor trade flows. The EDA supports effective decision-making by local officials through its capacity-building programs.

STRATEGIC GOAL 2: Provide infrastructure for innovation to enhance U.S. competitiveness

The Department of Commerce's second goal is to provide the infrastructure that will enable U.S. businesses to maintain their technological advantage in world markets. Globalization and the technology-driven productivity gains of the new economy are providing new challenges. Continued partnership, collaboration, and cooperation between the Department of Commerce and industry will enhance and promote the technological edge of the United States.

Objective 2.1

Provide infrastructural tools and capabilities that improve the productivity, quality, and efficiency of research and innovation processes.

The Technology Administration serves as the focal point for leadership on civilian technology policy in the federal government, and it conducts various programs to support government and industry through the provision of comprehensive technical services (measurements and standards) and the development and application of new technology. The NIST is strengthening the international system of standards and measurements to facilitate U.S. trade by building the Advanced Measurement Laboratory to provide the world's best facility for highly demanding measurements and research and helping manufacturing supply chains increase productivity and competitiveness. The NTIS continues to meet the challenge of permanent preservation and ready access of the taxpayers' investment in research and development through the acquisition, organization, and preservation of the titles added annually to the permanent collection. NTIS promotes the development and application of science and technology by providing technologically advanced global E-commerce channels for dissemination of specialized information to business, industry, government, and the public; ensuring public access to the bibliographic database; and implementing an initiative that will enable users to locate and download information directly from agency Internet sites.

Objective 2.2

Protect Intellectual Property

Intellectual property is a potent force in the competitive free enterprise system. By continuing to protect intellectual endeavors and encouraging technological progress, the USPTO seeks to preserve the United States' technological edge, which is key to current and future competitiveness. The ITA oversees negotiations concerning trade-related aspects of intellectual property.

Objective 2.3

Provide the infrastructure for a digital economy and a digital government.

The Department of Commerce's strategy to promote E-commerce requires that a sound legal framework be constructed to govern the entire process. The Department will advocate a legal framework that balances the interests of businesses, consumers, and governments at all levels and ensures the reliability, security, and integrity of E-commerce transactions. The Department of Commerce will also promote broad access to E-commerce technology, both domestically and internationally.

STRATEGIC GOAL 3: Observe and manage the Earth's environment to promote sustainable growth.

The Department of Commerce envisions a 21st century in which environmental stewardship, assessment, and prediction serve as keystones for enhancing economic prosperity and quality of life, improving the protection of lives and property, and strengthening the U.S. balance of trade.

Objective 3.1

Enhance conservation of the natural environment.

NOAA is responsible for promoting global environmental stewardship, with the goal of conserving and wisely managing the U.S. marine and coastal resources. Our vision is that by 2005, U.S. Ocean and coastal regions will be places of healthy ecosystems. This vision includes:

- Adding to the Nation's wealth and to the quality of life of millions of Americans by improving the use of fishery resources
- Leading in the preservation of marine biodiversity by balancing the exploitation of natural resources with the management of protected species
- Ensuring that coastal ecosystems are managed to maintain biodiversity and long-term productivity for sustained use.

Objective 3.2

Improve Understanding and Prediction of the Natural Environment

NOAA monitors and predicts changes in the Earth's environment to ensure and enhance sustainable economic opportunities. Our vision is that by 2005, the United States will have an integrated and reliable environmental observation, assessment, and forecasting service that will enable us to make informed decisions regarding public safety, economic development, and environmental quality. This vision will require:

- Improved short-term warning and forecast services
- Reliable seasonal-to-interannual climate forecasts
- Better understanding of decadal-to-centennial environmental changes
- Modernization of navigation and positioning services through the application of new positioning and bathymetric sensing technologies.



Economic Development Administration

Mission Statement

To create a climate conducive to the development of private enterprise in America's distressed communities.

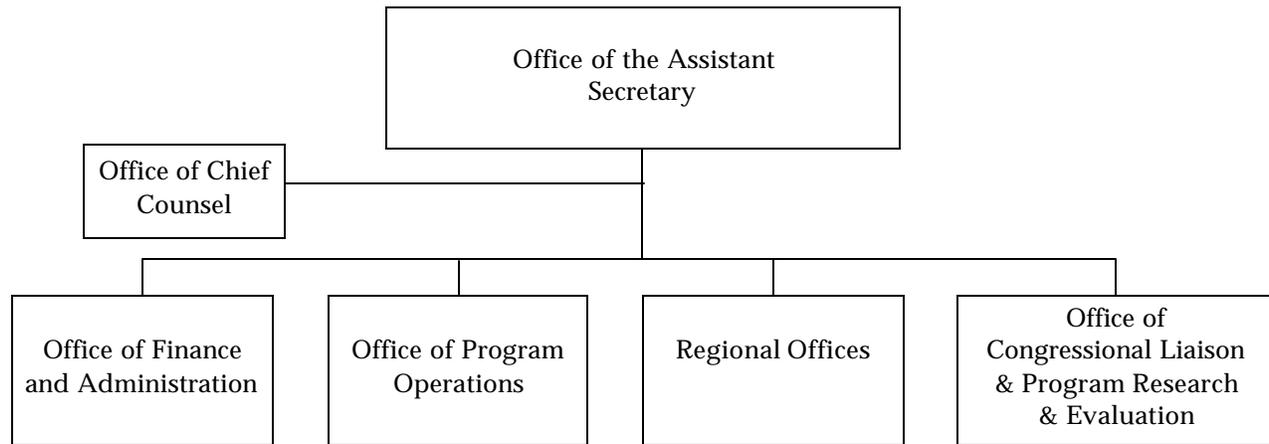
The Economic Development Administration (EDA) is authorized by the Public Works and Economic Development Act (PWEDA) of 1965, as amended to provide assistance to economically distressed communities in both rural and urban areas. EDA programs address conditions of substantial unemployment, low per capita income, and other severe economic distress. Congress recently reauthorized EDA programs by enacting the Economic Development Administration Reform Act of 1998 with strong bipartisan support.

EDA works with local, State, and national organizations to help distressed communities overcome barriers that inhibit economic growth and limit their ability to compete effectively in regional, national, and global markets. While the United States has experienced sustained economic growth in recent years, many of the Nation's communities do not share in this prosperity. Under-served rural and urban communities often lack access to the knowledge, skills, and technology required to keep pace with changes driving world commerce. Many of these communities must rebuild physical, social, and financial assets in order to create better opportunities for jobs and private investment.

EDA works through public-private partnerships to build local capacity to plan and implement economic development programs in distressed communities. These partnerships encourage local governments, businesses, and civic organizations to identify common goals and development priorities. EDA grants for planning, technical assistance, research, and evaluation support sound local planning and development decisions, and promote the effective use of local, State, and Federal resources for successful development projects.

EDA provides grants for public works and development facilities that will provide lasting benefits for economically distressed communities. These grants serve as catalysts to mobilize other public and private investments for the establishment or expansion of commercial and industrial facilities that will promote sustainable development in distressed communities. EDA also provides economic adjustment grants for infrastructure improvements and revolving loan funds to help communities and businesses respond to severe economic dislocations such as those caused by major layoffs, plant shutdowns, trade impacts, natural disasters, and the closure of military bases and energy labs.

Organizational Structure



Priorities

EDA program activities support two major performance goals.

Goal 1: Create jobs and private enterprise in economically distressed communities

Public works and development facilities—priorities include projects that provide direct benefits to highly distressed communities; critical investments in water, sewer, and transportation facilities; modern infrastructure, technology, and communication facilities; and the renovation and construction of industrial facilities. Long-term objectives are to stimulate permanent employment and private investment, stabilize local economies, and promote sustainable development. This program also supports the redevelopment of older industrial facilities, and blighted commercial properties, including brownfields redevelopment.

Special economic adjustment assistance—priorities include flexible funding for communities experiencing or threatened by the loss of a major employer or key industry sector; innovative proposals for development finance and revolving loan funds; new market and product development; and enterprise development, training, and technology transfer. This program also supports defense adjustment, base reuse, redevelopment of Federal energy facilities, and economic recovery efforts in response to major disasters and other emergencies.

Goal 2: Build local capacity to achieve and sustain economic growth

Planning and technical assistance—priorities include planning partnerships, and technical assistance and community outreach to areas of highest distress. EDA encourages local communities to form partnerships within neighboring towns, counties, State and regional planning organizations, and Indian tribes to make more effective use of limited Federal, State, and local resources. These programs also support sustainable development through sound local planning and conservation of scarce resources. Technical assistance grants support University Centers and local technical assistance to help local officials explore new opportunities and solve complex problems.

Research and national technical assistance—priorities include research on development issues that affect distressed communities to provide a better understanding of local, State, and regional economies; studies of effective development strategies and ways to improve Federal assistance for local development efforts; and EDA program evaluations. Recent evaluations demonstrate that EDA public works and economic adjustment projects create

jobs, private investment, and other lasting benefits in economically distressed communities.¹ This research also shows that EDA planning and technical assistance programs allow EDA to provide early and sustained support for local development priorities, which contributes to successful completion and positive outcomes for EDA projects.

Intergovernmental cooperation—The National Academy of Public Administration (NAPA) recently convened a panel to assess the Federal role in local economic development; the panel issued a report entitled *A Path to Smarter Federal Leadership in Economic Development: Learning, Leveraging, and Linking* (November 1998). EDA is working with other Federal agencies and the National Coalition for Economic Development on ways to improve Federal assistance for local development efforts, as recommended by NAPA:

- Learning—creating a better understanding of how State, regional, and local economies function and about which development strategies work best;
- Leveraging—providing incentives to counteract pressures on State and local agencies to focus on highly visible projects in prosperous areas rather than on long-term regional development strategies that would benefit disadvantaged as well as prosperous people; and
- Linking—making it easier for States and local officials to use Federal resources more effectively.

Brownfields redevelopment—EDA's partnership with Environmental Protection Agency (EPA) is an important example of intergovernmental cooperation. EDA has a long history of redeveloping abandoned industrial, commercial, and military facilities, investing over \$250 million to date for such projects. Public and private support has declined dramatically owing to the increased environmental, legal, and financial risks associated with such projects. To address this issue, EDA joined EPA in 1995 to support State and local efforts to increase planning and development assistance for brownfields—particularly those that blocked economic development in distressed urban areas and rural communities. As a result, EDA has assisted in the review of over 300 pilot projects and the design of planning and financial incentives that will help distressed communities reclaim hundreds of prime industrial and commercial sites to support new jobs and investment.

Management Challenges

EDA obtained an unqualified opinion on financial statements for FY 2000, the third clean audit in three years (FY 1998—FY 2000). Working closely with the Department of Commerce's Office of Financial Management, prior-year findings have been addressed and recommendations implemented on grant accruals and time records.

During FY 2000, EDA converted accounting data to the Commerce Administrative and Management Systems (CAMS) and is implementing audit recommendations to update policies and procedures for the new system to support the timely production of year-end reports and financial statements.

Also during FY 2000, EDA successfully implemented two new systems: the Operational Planning and Control System (OPCS) to support project processing and grants management activities; and the Loan Management System to support debt collection activities for older EDA loan and guarantee portfolios. These Y2K-compliant systems ensured uninterrupted service to external clients.

EDA has taken steps to improve Information Technology (IT) security, and will continue to focus on general and environmental electronic data processing controls. This includes improvements in three areas: entity-wide security program planning and management, access controls, and service continuity.

¹ Public Works Program: Performance Evaluation (Rutgers et al. 1997); Defense Adjustment Program: Performance Evaluation (Rutgers et al. 1997).

EDA continues to improve program performance measures and reporting systems in accordance with the General Accounting Office (GAO) recommendations and guidance from the Office of Management and Budget (OMB). Specifically:

- EDA has obtained data on actual performance for all FY 2000 performance measures and targets, and reports data as they become available for long-term measures. Trend data are provided to support long-term measures.
- EDA has adjusted performance targets to exclude indirect effects of EDA projects on long-term jobs and investment. This step was taken to address GAO concerns (GAO/RCED-99-11) and produces extremely conservative targets for direct jobs created and retained.
- Planning is underway to address GAO's recommendations that EDA collaborate with other Federal agencies on ways to evaluate and measure cross-cutting activities to improve economic development assistance for distressed communities (GAO/RCED/99-135 and 00-220).
- EDA continues to work closely with the Department to explore improvements for future performance plans and reports.
- Enhancing the capacity of information systems to support data collection and analysis is an ongoing management challenge for OPCS and EDA financial management systems. EDA is proposing a new initiative for FY 2002 to enhance information technology and use of the Internet to support EDA program activities and management functions.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1: Create jobs and private enterprise in economically distressed communities					
Program Outcome Measures (Long-term)	FY 1999 Targets	FY 2000 Targets	FY 2000 Actual (for FY 1997 Targets)	FY 2001 Target²	FY 2002 Target³
Number of permanent jobs created or retained in distressed communities	5,698 by FY 2002 28,492 by FY 2005 56,983 by FY 2008	5,651 by FY 2003 28,254 by FY 2006 56,509 by FY 2009	12,056 jobs ⁴	7,201 by FY 2004 36,003 by FY 2007 72,006 by FY 2010	5,790 by FY 2005 28,948 by FY 2008 57,895 by FY 2011
Private sector dollars invested in distressed communities	0.21 B by FY 2002 1.04 B by FY 2005 2.08 B by FY 2008	0.20 B by FY 2003 1.02 B by FY 2006 2.04 B by FY 2009	199 million ⁵	0.24 B by FY 2004 1.20 B by FY 2007 2.41 B by FY 2010	0.19 B by FY 2005 0.97 B by FY 2008 1.94 B by FY 2011

² FY 2001 targets adjusted based on FY 2001 enacted appropriations.

³ FY 2002 targets based on requested FY 2002 appropriation levels.

⁴ Actual job performance exceeds FY 2000 target (snapshot of performance at first reporting interval for FY 1997 grants).

⁵ Actual amount performance exceeds FY 2000 target (snapshot of performance for first reporting interval for FY 1997 grants).

Interim and Process Measures	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
State and local dollars committed (amount per EDA dollar)	199 Million (\$.66)	383 Million (\$1.21)	197 Million (\$.66)	347 Million (\$1.17)	344 Million (\$1.00)	277 million (\$1.00)
Percent of grants to areas of highest distress	20%	36%	30%	45%	40%	40%
Reduce application processing times	Adjusted baseline Two-year average for FY 98-FY 99 79.5 Median Days		74.7 Median days (6% decrease)	72.5 Median Days (7% decrease)	68.1 Median Days (6% decrease)	64.0 Median Days (6% decrease)
New Interim Measure					Two-year Average Baseline FY 2000-FY 2001	FY 2002 Target
Dollars invested in technology-related projects in distressed areas	New Measure	New Measure	New Measure	New Measure	TBD ⁶	TBD ⁶

Goal 1 includes program activities authorized by PWEDA Section 201 (public works and development facilities grants) and Section 209 (economic adjustment infrastructure and revolving loan grants).

EDA performance targets for long-term program outcomes are based on nine-year projections for jobs and private dollars invested. Performance data is obtained at three-year intervals to provide "snapshots" of current progress in achieving the full, nine-year performance projection. FY 2000 is the first year for which data is available on long-term outcomes. Actual performance exceeds the FY 2000 target for FY 1997 grants, indicating significant progress toward achieving the full nine-year projection of 50,400 permanent jobs by 2006. See Goal 1 measures.

⁶ EDA will establish targets upon completion of the baseline analysis for this new measure in September 2001.

Performance Goal 2: Build local capacity to achieve and sustain economic growth						
Program Outcome Measures	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Percentage of sub-State jurisdiction members actively participating in the Economic Development District Program.	New Measure	New Measure	75%	95%	85%	85%
Percentage of Economic Development District and Indian tribe planning grantees whose Comprehensive Economic Development Strategy (CEDS) is on time and acceptable.	New Measure	New Measure	75%	46%	60%	65%
Percentage of University Center clients rating technical assistance received as a 7 on a 1 to 10 scale. (10 is best)	New Measure	New Measure	75%	84%	75%	75%
Percentage of Trade Adjustment Assistance Center clients rating assistance received as a 7 on a 1 to 10 scale. (10 is best)	New Measure	New Measure	75%	95%	85%	85%
Number of Research and National Technical Assistance results published or presented nationally each year.	5	6	5	7	8	8
Interim & Process Measures	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Percentage of local technical assistance and economic adjustment strategy grants awarded in areas of highest distress.	20%	31%	25%	35%	30%	30%
Reduction in certification processing time for trade-impacted firms	Adjusted Baseline 2-year average 51.5 days		4.0% decrease (49.4 days)	5.8% decrease (48 days)	8% decrease (47.4 days)	12% decrease (45.3 days)

Goal 2 includes program activities authorized by PWEDA Sections 203 and 206 (planning grants for Economic Development Districts, Indian tribes, and other planning organizations); Sections 207 and 208 (technical assistance grants for University Centers, Local and National Technical Assistance, Research and Evaluation); and Section 209 (economic adjustment strategy grants only). Performance measures for trade adjustment assistance to firms authorized by the Trade Act of 1974, as amended, are also included under this goal.

FY 2000 is the first year for which data is available for the new measures shown above. EDA developed reporting methods during FY 1999 and obtained the first reports during FY 2000. EDA is developing multi-year trend data and is reviewing the process for adjusting and validating targets for each measure. See Goal 2 measures.

Resource Requirements

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY 2000 Request	FY 2000 Actual	FY 2001 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1:						
Total Funding ⁷	313.0	306.0	312.0	353.0	363.0	296.9
IT Funding*	1.7	N/A	1.2	1.3	0.8	0.8
FTE	170	176	174	180	180	180
Performance Goal 2:						
Total Funding	78.0	87.0	74.0	84.0	76.0	68.7
IT Funding*	1.0	N/A	0.7	0.7	0.4	0.5
FTE ⁸	92	95	94	97	97	97
Grand Total						
Total Funding	381.0	262	393.0	271	386.0	268
Reimbursable**	19.5		0.8		20.6	
IT Funding*	2.7		N/A		1.9	

* IT Funding included in Total Funding

** Reimbursable Funding is not included in Total Funding. Total Funding also does not include one-time, disaster grants.

Skill Summary—Economic development policy and planning; community outreach and project development; program and project management; civil rights; engineering; environmental, legal, and financial management; research and evaluation; program and management analysis; grants management and general administration.

⁷ Total Funding includes program dollars, salaries, and expenses.

⁸ Total FTE includes reimbursable FTE.

FY 2002 Performance Goals

Performance Goal 1: Create Jobs and Private Enterprise in Economically Distressed Communities

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.1: Provide the infrastructure to enable the participation of all Americans in the new economy

Rationale for Performance Goal

EDA provides grants for public works and development facilities that will provide sustainable economic development and lasting benefits for economically distressed communities. These grants serve as catalysts to mobilize other public and private investments for the establishment or expansion of commercial and industrial facilities in distressed communities. EDA also provides economic adjustment grants for infrastructure improvements and revolving loan funds to help communities and businesses respond to severe economic dislocations caused by major layoffs, plant shutdowns, trade impacts, natural disasters, and the closure of military bases, energy labs, and similar actions that adversely affect local economies.

EDA encourages projects that demonstrate strong public-private partnerships to create and retain permanent jobs and investment in distressed communities. Proposals must include matching funds from local, State, or other non-Federal sources covering at least 50 percent of total project costs. This matching requirement may be reduced or waived for areas of highest distress. EDA works closely with local officials and community stakeholders as they develop proposals—and invites applications only when the applicant is ready to implement the project. Timely application processing and grant decisions reinforce other public and private commitments, improving the likelihood of successful completion and program outcomes.

EDA performance measures and targets focus on meaningful program outcomes, some of which are generated over a period of years following grant approval and project completion. Performance targets for permanent jobs and private investment are based on program evaluations conducted by a consortium of independent research institutions led by Rutgers University. The *Public Works Program: Performance Evaluation* (May 1997) reported on public works projects (205) whose last payment was received in FY 1990. The methodology for evaluating results ensured that projects were completed, and in operation long enough to assess results. The evaluation showed that actual results can be quantified at project completion (typically three years after the awarding of the grant) and increase substantially over the next six years, resulting in a median of 3,058 EDA dollars per job and a leveraging ratio of 10.08 private dollars for each EDA dollars (1997 dollars). Targets are discounted pending availability of more complete trend data.

EDA's Ongoing Performance Measurement System

EDA has established an ongoing reporting system, beginning with FY 1997 grant awards, to track long-term program outcomes for permanent jobs and private dollars invested in distressed communities. This reporting system is designed to obtain data on actual performance that are comparable to the baseline evaluations and long-term performance projections as discussed above. EDA has obtained OMB approval to collect data (snapshots of actual performance) at three-year intervals for up to 10 years following the awarding of the grant. This reporting system will enable EDA to develop a database with multi-year trend data on jobs and private investment generated by EDA projects. FY 2000 was the first year in which data became available under the

new system, representing the first reporting interval for FY 1997 public works grants. Trend data will be added each year, as it becomes available.

Adjustments to Performance Targets

Early projections for FY 1997 and FY 1998 performance include both direct and indirect jobs for EDA public works projects. In response to comments from GAO, job targets were adjusted to exclude indirect jobs. This downward adjustment was largely offset when EDA began setting job targets for economic adjustment construction and revolving loan fund projects. Projections are now based on direct jobs only, resulting in conservative targets and reporting standards (beginning with FY 1999 awards). EDA continues to review and refine performance measures and targets in consultation with Congress, GAO, OMB and other agency stakeholders, and will adjust targets as appropriate when adequate trend data becomes available.

Data on Past Performance

To provide more complete information on long-term outcomes (i.e., permanent jobs, private investment), EDA includes data on past performance for two sets of construction projects that have reached the final reporting interval. Data are also provided for two sets of revolving loan fund grants. Both sets involve projects that were approved prior to FY 1997, and thus are not covered under EDA's ongoing reporting system. Trend data are currently available on two sets of projects:

- **Baseline projects:** The Public Works Program: Performance Evaluation (May 1997) reported on public works projects (205) whose last payment was received in FY 1990. The Defense Adjustment Program Performance Evaluation (Nov. 1997) provided similar data for EDA revolving loan fund projects ranging from 2 to 5 years in age.
- **Pilot projects:** EDA conducted pilot reviews during FY 1999 to obtain actual data on a second set of projects. EDA GPRA Pilot I: Construction Projects (Rutgers 1999) shows results for 58 construction projects, six years after project completion (FY 1993). EDA GPRA Pilot II: RLF Projects (Rutgers 1999) shows results for 44 revolving loan fund projects, six years after approval (FY 1993).

The following tables compare actual results from the pilot projects with the results from baseline projects as presented by Rutgers et al. [Note: 1997 dollars have not been converted to 1999 dollars.]

EDA Construction Projects

	GPRA Pilot I Results (1999)	Public Works Evaluation (1997)
Creation of permanent jobs	100%	96.1%
Leveraged Private Sector Investment	98%	84%
EDA Job Cost Ratios	\$3,445	\$3,058
Private Sector Investment	5.62 to 1	10.08 to 1

EDA Revolving Loan Fund Projects

	GPRA Pilot II Results (1999)	Defense Adjustment Evaluation (1997)
Creation of permanent jobs	95%	96.1%
Leveraged Private Sector Investment	95%	NA
EDA Job Cost Ratios	\$4,107	\$3,747
Private Sector Investment	6.25 to 1	2.67 to 1

Validation and Verification

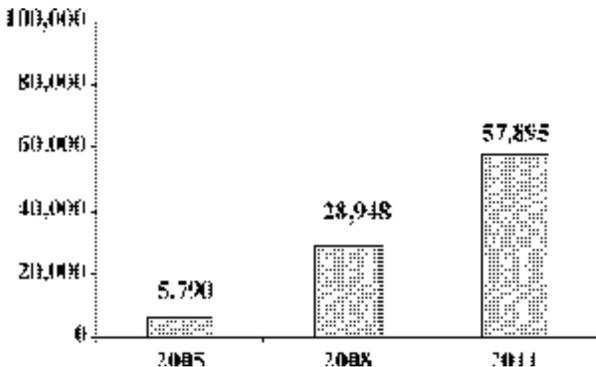
The EDA GPRA Pilots not only provide trend data on past performance, as presented above, but also provide critical outreach and training for EDA grantees and staff on valid reporting methods and verification of performance data on long-term outcomes. EDA achieved a 98 percent response rate on the FY 1999 pilots, and conducted site visits to over 25 percent of the projects to validate and verify data reported. The data were then provided to Rutgers University for review and comparison to the original evaluations.

Formal guidance on reporting requirements has been provided to EDA grantees based on lessons learned during the Pilot Reviews. The raw data obtained from the FY 1997 grantees show over 16,074 jobs created or retained for the first reporting interval. EDA will review the raw data on jobs and investment for consistency with current reporting standards. Final results will be reported following the validation and verification of performance data for EDA's two long-term outcome measures. EDA will conduct regional performance reviews to validate and verify performance data reported by grantees.

Interim and Process Measures

In response to GAO recommendations, EDA developed a set of interim and process measures that can be used by EDA managers on a regular basis to set targets and track performance in critical program areas. These measures were introduced in FY 1999 and FY 2000. Policies and procedures are in place to obtain data on key performance indicators identified by program managers. Preliminary data are available for FY 2000 interim and process measures under Goal 1 and 2. EDA will report final results when data review and verification is complete. For FY 2002, EDA is developing a new interim measure on technology-related projects to support the Commerce Strategic Plan. EDA will set targets and begin reporting on this measure following completion of the baseline analysis for FY 2000 and FY 2001 in September 2001.

Measure 1a: Number of permanent jobs created or retained in distressed communities



Data Validation and Verification:

Data source: Grantee performance reports.
Frequency: At three-year intervals, typically 3, 6 and 9 years after awarding of grant.
Data storage: EDA database under development.
Verification: To validate performance measures and targets, EDA sponsored program evaluations by Rutgers University and a consortium of research institutes (Rutgers et al. 1997) and obtained comparable data on a second set of projects. See *EDA GPRA Pilot I and II Reports* (1999). EDA will perform regional validation with grantees.

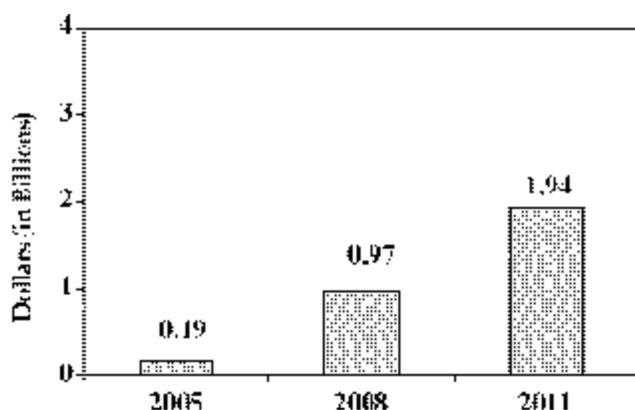
Long-Term Outcome Measure	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Target	5,040 by FY 2000 25,200 by FY 2003 50,400 by FY 2006	5,400 by FY 2001 27,000 by FY 2004 54,000 by FY 2007	5,698 by FY 2002 28,492 by FY 2005 56,983 by FY 2008	5,651 by FY 2003 28,254 by FY 2006 56,509 by FY 2009	7,201 by FY 2004 36,003 by FY 2007 72,006 by FY 2010	5,790 by FY 2005 28,948 by FY 2008 57,895 by FY 2011
Actual				12, 056 jobs ⁹		
Met/Not Met				Met		

Explanation of Measure:

Actual performance exceeds the FY 2000 target for FY 1997 grant awards, indicating significant progress toward meeting the nine-year projection of 50,400 jobs by 2006. Actual results (12,056 jobs) provide a snap shot of current performance for FY 1997 public works projects completed on or before September 30, 2000. This early data indicates that the FY 1997 projects generated results at a faster pace than anticipated, which may be due in part to strong economic growth through the beginning of FY 2000.

This is the first year data have become available for this measure. Additional data are required to establish trend data prior to adjusting long-term projections, which are based on in-depth program evaluations as discussed previously. EDA is developing a database to provide multi-year trend data on permanent jobs and private dollars invested as a result of EDA projects. This will ensure that sufficient data is available to support program analysis and future adjustments to performance measures and targets. EDA has established policy and procedures for the verification and validation of performance data. Actual results reported here reflect a 25 percent discount to provide a margin of error pending final review and analysis of performance data reported by EDA grantees.

Measure 1b: Private sector dollars invested in distressed communities



Data Validation and Verification:

Data source: Grantee performance reports.

Frequency: At three-year intervals (typically 3, 6, and 9 years following awarding of grant).

Data storage: EDA database under development.

Verification: To validate performance measures and targets, EDA obtained trend data on two sets of projects: the baseline evaluations conducted by Rutgers University (1997) and the *EDA GPRA Pilot I and II Reports* (1999). EDA will perform regional validation with grantees.

⁹ Actual performance exceeds the FY 2000 target for FY 1997 grant awards.

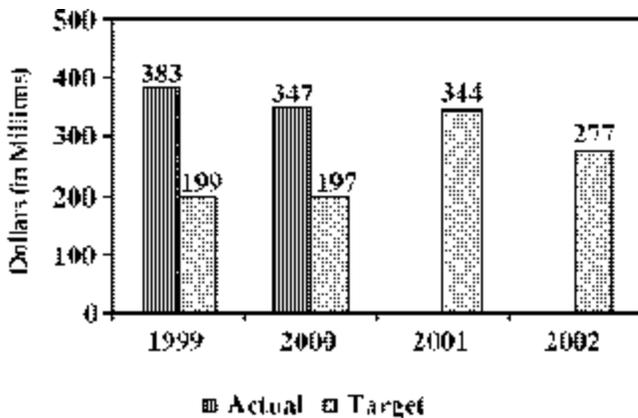
Long-Term Outcome Measure	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Target	0.116 B by FY 2001 0.581 B by FY 2004 1.162 B by FY 2007	0.13 B by FY 2001 0.65 B by FY 2004 1.3 B by FY 2007	0.21 B by FY 2002 1.04 B by FY 2005 2.08 B by FY 2008	0.2 B by FY 2003 1.02 B by FY 2006 2.04 B by FY 2009	0.24 B by FY 2004 1.20 B by FY 2007 2.41 B by FY 2010	0.19 B by FY 2005 0.97 B by FY 2008 1.94 B by FY 2011
Actual				0.199 billion ¹⁰		
Met/Not Met				Met		

Explanation of Measure

Actual performance exceeds the FY 2000 target for FY 1997 grant awards, indicating significant progress toward meeting the nine-year projection of 1.162 billion dollars by 2006. Actual results (\$0.199 billion dollars) provide a snap shot of current performance for FY 1997 public works projects completed on or before September 30, 2000. This early data indicates that the FY 1997 projects generated results at a faster pace than anticipated, which may be due in part to strong economic growth through the beginning of FY 2000.

This is the first year data have become available for this measure. Additional data are required to establish trend data prior to adjusting long-term projections, which are based on in-depth program evaluations as discussed previously. EDA is developing a database to provide multi-year trend data on permanent jobs and private dollars invested as a result of EDA projects. This will ensure that sufficient data is available to support program analysis and future adjustments to performance measures and targets. EDA has established policy and procedures for the verification and validation of performance data. Actual results reported here reflect a 25 percent discount to provide a margin of error pending final review and analysis of performance data reported by EDA grantees.

Measure 1c: State and local dollars committed per EDA dollar



Data Validation and Verification:

Data source: Grantee applications and progress reports.
Frequency: At the time of awarding of grant and project completion.
Data storage: EDA database.
Verification: EDA verifies non-Federal funds committed to projects prior to disbursement of grant funds.

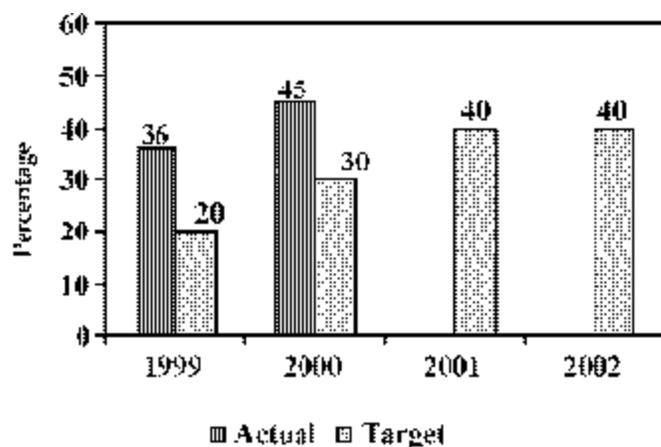
¹⁰ Actual performance exceeds the FY 2000 target for FY 1997 public works grants.

	FY 1999	FY 2000	FY 2001	FY 2002
Target (per EDA dollar)	199 Million (.66)	197 Million (.66)	344 Million (1.00)	277 Million (1.00)
Actual ¹¹	383 Million 1.21	347 Million 1.17		
Met/Not Met	Met	Met		

Explanation of Measure

EDA has exceeded the target for State and local dollars for two consecutive years (FY 1999, FY 2000). Original targets for this measure were based on program evaluations (Rutgers et al. 1997), which found that construction projects funded under the Section 201 Public Works Program had an EDA share of 53.6 percent and that projects funded under the Section 209 Economic Adjustment Program had a median EDA share of 75 percent (reflecting different grant rate requirements for these programs under prior legislation). After reviewing the findings from both studies during FY 1998, EDA determined that an EDA share of 60 percent was a reasonable estimate for the combined program activities. With the enactment of the Economic Development Administration Reform Act of 1998, EDA issued new regulations during FY 1999, increasing requirements for non-Federal funding to 50 percent of total project costs, except for areas of high distress, which qualify for higher EDA grant rates. Targets for State and local dollars (non-Federal share) have been increased to one non-Federal dollar per EDA dollar with the understanding that external factors (e.g., economic downturns) can increase the number of areas eligible for higher grant rates and decrease the availability of State and local dollars in distressed communities.

Measure 1d: Percentage of grants to areas of highest distress



Data Validation and Verification:

Data source: Project locations entered by regions.

Frequency: Ongoing.

Baseline: FY 1998 grants.

Data storage: EDA database.

Verification: EDA samples projects periodically to ensure accurate project location codes. Statistical data is based on Bureau of Labor Statistics' current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data. This year, headquarters staff conducted monitoring visits to EDA's six Regional Offices, including spot checks of data entry procedures and source documents.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	20%	30%	40%	40%
Actual ¹²	36%	45%		
Met/Not Met	Met	Met		

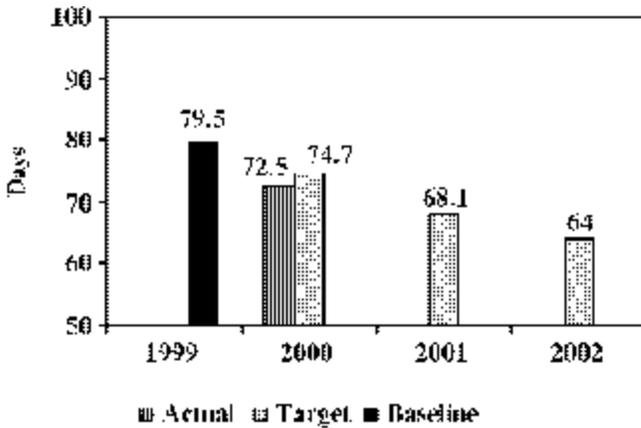
¹¹ Due to limitations in EDA's operational planning and control system, actuals include some projects funded under emergency supplemental appropriations during FY 1999 and FY 2000.

¹² Due to limitations in EDA's operational planning and control system, actuals include some projects funded under supplemental appropriations.

Explanation of Measure

EDA actively encourages proposals from areas of highest distress and directs program and staff resources to assist these communities in developing viable proposals and plans for successful development projects. Highest distress areas are defined as those where the 24-month unemployment rate is at least 180 percent of national average, or where the per capita income is not more than 60 percent of national average. Disaster areas and projects for Indian tribes are also characterized as being of highest distress. EDA performance continues to exceed targets for a second year following the implementation of the Economic Development Reform Act of 1998. Future targets are adjusted upward from 30 percent to 40 percent based on the excellent performance of EDA Regional Offices in targeting areas of highest distress. The upward adjustment is tempered by the understanding that EDA cannot fully predict the demand for disaster assistance, which contributed part of the increase, or the impact of special initiatives within a given fiscal year. FY 2000 initiatives for Native Americans led to an appreciable increase in the number of Indian communities assisted in comparison to FY 1999. For example, FY 2000 initiatives for Native Americans led to an appreciable increase in the number of Indian communities assisted in comparison to prior-year grants to Indian communities, resulting in a higher number of grants to areas of highest distress than previously anticipated.

Measure 1e: Reducing application processing times



Data Validation and Verification:

Data source: Regional offices enter dates when completed applications are received and numbered; Headquarters enters final decision dates.

Frequency: Ongoing.

Adjusted baseline: 79.5 median days.

Data storage: EDA database.

Verification: EDA conducts periodic reviews of project processing and data entry by EDA staff, including spot checks of source documents.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Adjusted Baseline FY 1998 and FY 1999 average 79.5 Median Days	74.7 Median Days (6% decrease)	68.1 Median Days (6% decrease)	64.0 Median Days (6% decrease)
Actual		72.5 Median Days (7% decrease)		
Met/Not Met		Met		

Explanation of Measure

Timely application processing and grant decisions reinforce other public and private commitments to projects in distressed communities, thereby increasing the likelihood of successful project completion and program outcomes. EDA has met annual targets for decreasing the number of median processing days for two consecutive years, and will retain targets for 6 percent decreases each year until achieving EDA's goal of 60 median days for application processing. EDA has streamlined application requirements and processing procedures to support this effort, and will continue to make process improvements to achieve future targets. The adjusted baseline is a two-year average of actual results for FY 1998 (98 median days) and FY 1999 (71 median days).

Measure 1f: Dollars invested in technology-related projects in distressed areas

	FY 1999	FY 2000	FY 2000-01 Baseline	FY 2002
Target	New Measure	New Measure	TBD	TBD
Actual				
Met/Not Met				

Data Validation and Verification:

Data Source: Technology-based investments.

Data Storage: EDA database under development.

Baseline: TBD based on FY 2000 and 2001 investments.

Verification: Testing performance projections, providing training, and improving reporting.

Explanation of Measure

EDA programs provide support for the efforts of the Nation's distressed communities to become competitive in the new global economy. By supporting technology-based economic development, EDA offers those parts of America that have lagged behind for years the opportunity to leapfrog other areas and to become leaders in the new economy. The new measure supports increased investment in technology-led economic development to provide better jobs and opportunities for growth in distressed communities. EDA already supports local and State initiatives to upgrade infrastructure, telecommunications, and tech-transfer facilities to support existing firms and new enterprise development. EDA also encourages greater participation by universities, community colleges, and business organizations to ensure that local firms and communities benefit from new information technologies, manufacturing processes, and applied research and development in environmental and life sciences. EDA will analyze recent investments to determine the baseline (minimum two-year average for FY 2000 and FY 2001 grants) and establish appropriate targets for FY 2002. A task force is researching EDA investments and other Federal assistance available to support technology-led economic development in distressed areas.

EDA Program Evaluations—Performance Goal 1: Create jobs and private enterprise in economically distressed communities.

EDA uses program evaluations to develop valid performance measures and provide a more complete understanding of overall program performance. Systematic program evaluations also allow EDA to verify results and continue to improve program performance. A research team led by Rutgers University—and including the New Jersey Institute of Technology, Columbia University, Princeton University, the National Association of Regional Councils, and the University of Cincinnati—undertook evaluations of the EDA public works grants and economic adjustment construction and revolving loan fund (RLF) projects as identified below:

Evaluations completed:

Public Works Program: Performance Evaluation (Rutgers University et al. 1997)

- Every \$1 million in EDA funding leveraged \$10.08 million in private-sector investment, increased the local tax base by \$10.3 million and created 327 jobs; the number of jobs doubled in the six years after project completion.

Defense Economic Adjustment Program: Performance Evaluation (Rutgers University et al. 1997)

- Ninety-seven percent of construction, 98 percent of capacity-building, and 100 percent of RLFs moved to completion; 90 percent of construction, 97 percent of capacity-building and 100 percent of RLF completed projects were completed at or under budget; fully loaned RLFs created jobs at an EDA cost of \$3,312.

Public Works Program: Multiplier and Employment-Generating Effects (Rutgers University et al. 1998)

- Using Input-Output analysis, EDA public works program investments have a job multiplier effect of 1.5, that is, every two EDA-funded direct permanent jobs created a third permanent job and a private-sector investment multiplier of 1.44. To put it yet another way, every two direct private-sector investment dollars attracted nearly a third private-sector investment dollar.

EDA GPRA Pilot I: Construction Projects (Rutgers University et al. Nov. 1999)

- This research reports the evaluation of a sample of EDA construction projects completed in FY 1993; it compared this sample to other projects previously evaluated to validate EDA's performance measures for construction projects.

EDA GPRA Pilot II: Revolving Loan Fund Projects (Rutgers University et al. Nov. 1999)

- This research reports the evaluation of a sample of EDA revolving loan fund projects funded in FY 1993. It compared this sample to other projects previously evaluated to validate EDA's performance measures for revolving loan fund projects.

Evaluations underway:

Revolving Loan Fund Program Evaluation (Rutgers University et al.), scheduled for completion in 2002.

Our goal is to evaluate major program activities on a regular basis (i.e., every five years, as resources permit).

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
Provide construction grants for economic development projects in distressed communities.	<ul style="list-style-type: none"> • Build or rebuild public infrastructure (roads, water, sewerage, and other infrastructure) to support the establishment or expansion of commercial and industrial facilities in distressed communities. • Help communities upgrade technology infrastructure and training facilities to prepare for a technology-based economy. • Redevelop abandoned or under-utilized industrial sites and facilities, including “brownfields” to restore employment and private investment in distressed areas. • Support resource recovery and sustainable development initiatives.
Provide construction and revolving loan fund grants to implement economic adjustment strategies in response to sudden job loss and severe economic distress.	<p>Revolving loan fund grants will be used to:</p> <ul style="list-style-type: none"> • Provide flexible financing to modernize aging plants and equipment, introduce new technologies, products and markets, and increase productivity. • Invest in stabilizing and diversifying the local economy. • Target flexible financing and modern infrastructure of growth industries and new enterprise in distressed communities. • Provide for defense adjustment and disaster recovery.

Cross-Cutting Activities

EDA builds effective partnerships with Federal, State, and local entities on program delivery and information dissemination. At the Federal level, examples of major partners include:

- *Federal Emergency Management Agency (FEMA)*—Early response, coordination, assessment, mitigation, and economic recovery efforts following major disasters.
- *Environmental Protection Agency (EPA)*—Strategies to redevelop brownfields and improve air quality in ways that benefit economically distressed communities.
- *Department of Defense Office of Economic Adjustment (OEA)*—Economic adjustment strategies and grants for base reuse and communities affected by Base Realignment and Closure Commission (BRAC) decisions.
- *Department of Energy (DOE)*—Economic adjustment assistance to communities affected by closures of Federal energy labs and facilities.
- *Appalachian Regional Commission (ARC)*—Community and economic development assistance for economically distressed areas in the 13-state Appalachian region.
- *Department of Agriculture, Rural Development/Rural Utilities (USDA-RD/RU)*—Infrastructure and business financing for enterprise development in rural areas.
- *Department of Transportation (DOT)*—Improvements to highway, port, rail, and airport facilities to support private investment in distressed communities.
- *Department of Housing and Urban Development (HUD)*—Coordination of Community Development Block Grants (CDBG) funds for economic development at the State and local levels; support for Empowerment Zones, Enterprise Communities, and Renewal Communities.

EDA also collaborates with other Commerce bureaus on cross-cutting initiatives. Examples include collaboration on the following Commerce priorities:

- National Oceanic and Atmospheric Administration (NOAA)—strategies to promote sustainable development, disaster reduction, protection of natural resources, and the development of eco-industrial parks.
- National Institute of Standards and Technology (NIST)—technology deployment and assistance to small manufacturers in economically distressed areas.
- National Telecommunications and Information Administration (NTIA)—strategies to upgrade telecommunications infrastructure in distressed rural and urban communities.
- Minority Business Development Agency (MBDA)—increased support for minority business development and entrepreneurship, and for minority-serving institutions.

In FY 2000, EDA reviewed interagency agreements and supported GAO's review of cross-cutting Federal programs for State and local economic development projects. EDA will continue to provide leadership to improve Federal assistance for economic development programs in distressed communities.

External Factors and Mitigation Strategies

The General Accounting Office has recognized that measuring the performance of economic development programs is difficult owing to the many external factors that can influence local economies. To ensure strong program performance, EDA targets assistance to projects that can provide direct and lasting benefits to economically distressed communities. EDA programs are not intended to work alone, but to increase the availability of outside capital (both public and private) for sustainable development strategies to create and retain jobs and private enterprise in economically distressed areas. In doing so, EDA recognizes that many factors can influence the level of distress, rate of investment and job creation or retention, and the availability of other public funding and private entities. For example:

- National or regional economic trends, such as slowdowns in the national economy, can cause firms to delay or postpone investments in new products, markets, plant, equipment, and workforce development. Such trends can affect the rate at which jobs are created or retained.
- Changes in business climate and financial markets can impact the level of private capital and degree of risk associated with investment decisions, particularly for firms considering establishing or expanding operations in highly distressed areas.
- Downturns in the national or regional economy can increase the demand for EDA assistance and reduce the availability of State and local funding. EDA regulations provide for waivers or reductions of the non-Federal share, allowing EDA to cover a higher share of total project costs depending on the level of distress demonstrated by the local community.
- Natural disasters and other major events can dramatically impact local economies and create an unanticipated demand for EDA assistance. This can impact performance in several ways, increasing the number of areas that are eligible for assistance and the number of areas in highest distress. Such emergencies can alter funding priorities under regular EDA programs, and at times result in emergency supplemental funding. The impact on regular program assistance is more apparent when supplemental funding is delayed or unavailable.

Mitigation strategies include:

- Strengthening local, State, and sub-State partnerships to assess and respond to long-term economic trends, sudden and severe dislocations, emergencies, and other unanticipated impacts on local economic conditions.
- Establishing flexible program and funding authorities that respond to local priorities.
- Developing effective partnerships with other Federal agencies to improve assistance for distressed communities.
- Working directly with distressed communities, through experienced field staff, and with State and local officials to achieve long-term development objectives and address sudden and severe economic dislocations.

Performance Goal 2: Build Local Capacity to Achieve and Sustain Economic Growth

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.3: Support effective decision-making of policymakers, businesses, and the American public.

Rationale for Performance Goal

Although economic development is a local process, the Federal Government plays an important role by helping distressed communities build capacity to identify and overcome barriers that inhibit economic growth. EDA's approach is to support local planning and long-term partnerships with State and regional organizations that can assist distressed communities with strategic planning and investment activities. This process helps local communities set priorities, determine the viability of projects, and leverage outside resources to improve the local economy and sustain long-term economic growth.

EDA planning funds support the preparation of Comprehensive Economic Development Strategies (CEDs), which guide EDA investments for public works and economic adjustment implementation grants, including revolving loan funds. Sound local planning also attracts other Federal, State, and local funds to implement long-term investment strategies. Evaluations of EDA's public works and defense adjustment programs show that EDA planning and technical assistance programs play a significant role in the successful completion and outcomes of its infrastructure and revolving loan fund projects.

Measure 2a: Percentage of sub-State jurisdiction members actively participating in the Economic Development District (EDD) program

	FY 1999 Target	FY 2000 Target	FY 2001 Target	FY 2002 Target
Target	EDA developed and tested plan for evaluating EDD performance	75%	85%	85%
Actual		95%		
Met/Not Met		Met		

Data Validation and Verification:

Data source: EDA Grantee Performance Evaluations.

Frequency: One-third of EDDs to be evaluated annually.

Data Storage: EDA database.

Verification: EDA will conduct periodic performance reviews and site visits including interviews with clients.

Data Limitations: See below.

Comments: During FY 1999, EDA began testing a plan for evaluating the performance of Economic Development Districts, which receive EDA funding for ongoing planning activities. This evaluation cycle will provide annual data for approximately one-third of EDA-funded Districts each year. OPCS procedures will require EDA Regional Offices to enter data within 30 days of a District evaluation.

Explanation of Measure

The target established for FY 2000 was that 75 percent of all member jurisdictions of Economic Development District (EDD) organizations would actively participate in the EDD program. Active participation was defined as either attendance at meetings and/or financial support of the EDD during the reporting period. The basis of the 75 percent goal was that, under the previous legislation, participation of at least 75 percent of member jurisdictions was required for designation as a district. Under the new legislation, that requirement has been reduced to more than 50 percent.” Data collected from the EDA Regional Offices indicates that 95.4 percent of the member jurisdictions actively participate in their EDD programs.

EDDs generally consist of three or more counties that are considered as the member jurisdictions. In some instances, however, EDDs also include cities, towns, and townships and may even consider them as their primary member jurisdictions. The actual reported data, for example, included an EDD with 101 member jurisdictions and 100 percent participation of those jurisdictions. Basing member jurisdictions on these smaller and more numerous units of government to the degree reflected in the actual data drove the overall percentage well above what was anticipated.

Inasmuch as this was the first year in which these data were collected, we do not recommend too significant an increase in the target until additional years of data have been collected and analyzed. We therefore recommend an increase in the targets for FY 2001 and FY 2002 to 85 percent. EDA is developing multi-year trend data on this measure and will analyze trends to determine further adjustments to targets when sufficient data becomes available.

Measure 2b: Percentage of Economic Development District and Indian tribe planning grantees whose Comprehensive Economic Development Strategy (CEDS) is on time and acceptable

	FY 1999	FY 2000	FY 2001	FY 2002
Target	EDA developed and tested plan for evaluating EDD performance	75%	60%	65%
Actual		46%		
Met/Not Met		Not Met		

Data Validation and Verification:

Data source: CEDS reports.

Frequency: Annual.

Data Storage: EDA database.

Verification: EDA HQ will review OPCS data.

Data Limitations: See below.

Comments: During FY 1999, EDA developed new guidelines that are consistent with EDA’s new reauthorization legislation for the preparation of CEDS by District and Indian planning grantees. These guidelines received final OMB clearance in December of 1999.

Explanation of Measure

The target established for FY 2000 was that 75 percent of all CEDS documents, reports, or revisions due within the fiscal year would be submitted on time and be acceptable. This target did not have a basis in any statutory requirement as was the case with participating jurisdictions but, instead, was an estimate. Adequate data was not available to support an accurate baseline analysis. EDA is developing multi-year trend data on this measure and will analyze trends to determine further adjustments to targets when sufficient data becomes available.

The first year data indicates that only 46 percent of all CEDS documents, reports, or revisions due during the FY 2000 reporting period were submitted by the due date and were acceptable. That percentage increases to 65 percent when we include those received within 30 days of the due date and to 74 percent if we expand it to within 60 days of the due date. The discrepancy between the goal and actual data may be explained partially by the requirements of a CEDS contained in the new authorizing legislation. Originally, grantees were required to develop and maintain an Overall Economic Development Program (OEDP) process and to report on an annual basis. When the new legislation became effective and the CEDS Guidelines were prepared and distributed, grantees started converting from OEDPs to CEDS, causing some delays in the preparation of new documents and in submitting required annual reports.

EDA will provide additional guidance and oversight during the coming year to ensure the timely receipt and review of CEDS documents by each of the six EDA regional offices.

Measure 2c: Percentage of University Center clients rating technical assistance received as a 7 on a 1 to 10 scale (10 is best)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Developed plan for evaluating University Centers	75%	75%	75%
Actual		84%		
Met/Not Met		Met		

Data Validation and Verification:

Data source: Grantee client survey/reports.

Frequency: Annual.

Verification: Performance data will be verified for one-third of the University Centers. EDA Headquarters will annually review OPCS data.

Data Limitations: See below.

Comments: During FY 1999, EDA developed a plan of evaluating one-third of the University Centers each year. In FY 2001, client satisfaction ratings were included in University Centers annual report.

Explanation of Measure

EDA funds 69 University Centers which provide technical assistance and specialized services (e.g., feasibility studies, marketing research, economic analysis, environmental services, technology transfer) to local officials and communities to enhance their capacity to plan and manage successful development projects. University Centers conduct client satisfaction surveys and report findings to EDA. EDA evaluates the performance of each center once every three years and reviews client surveys to verify data reported to EDA. This is the first year data have been reported. EDA will maintain the targets until first-year data can be verified and second-year data can be collected and evaluated to determine appropriate baselines and adjustments to future targets.

Measure 2d: Percentage of Trade Adjustment Assistance Center clients rating assistance received as a 7 on a 1 to 10 scale (10 is best)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Developed Plan for Data Collection	75%	85%	85%
Actual		95%		
Met/Not Met		Met		

Data Validation and Verification:

Data source: Grantee client survey/reports.

Frequency: Annual.

Data storage: EDA OPCS database.

Verification: EDA will conduct periodic performance reviews and site visits to review and verify survey forms.

Data Limitations: See below.

Comments: During FY 1999, EDA developed instructions for reporting client satisfaction ratings as part of each Trade Adjustment Assistance Center’s annual report to EDA. These reports are due at the end of the second quarter of FY 2001.

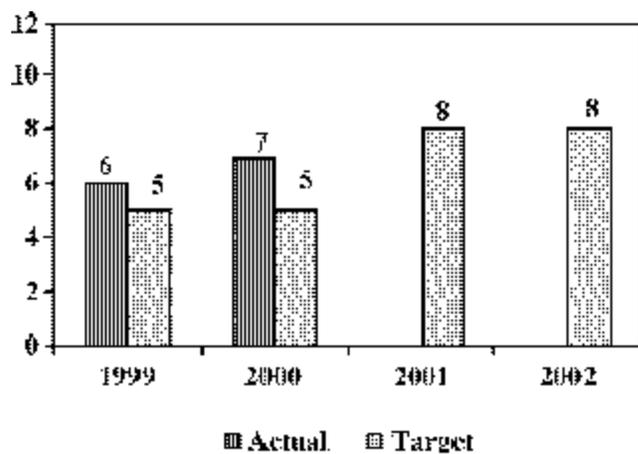
Explanation of Measure

The 12 Trade Adjustment Assistance Centers are funded by EDA to work jointly with trade-impacted firms to identify and define the specific actions required to improve each firm’s competitive position in world markets. These Centers conduct client satisfaction surveys and report findings to EDA. EDA reviews client surveys to verify data as part of periodic site visits to monitor and evaluate each Center’s performance. FY 2000 is the first year for which data have been reported. EDA will review the process for verification and validation of data and will develop multi-year trend data to determine if determine appropriate adjustments to future targets.

The Department’s Office of the Inspector General (OIG) is expected, within the near future, to report the findings of its review of Commerce business assistance programs. EDA looks forward to setting policy direction consistent with guidance from this OIG report on ways to improve performance measures for trade adjustment assistance.

Additionally, EDA awaits forthcoming opportunities to meet with the Senate Finance Committee to continue the development of effective performance measures for desired program outcomes. The standardization and systematic collection of basic data, including changes in a firm’s sales, employment, and earnings are among the measures EDA will explore to complement and further enhance performance measurement and program evaluation.

Measure 2e: Number of Research and National Technical Assistance results published or presented nationally each year



Data Validation and Verification:

Data source: Grantee Reports.
Frequency: Annual Review.
Data storage: EDA project files.
Verification: EDA verifies this measure by reviewing the publications and national presentations.
Data Limitations: None.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	5	5	8	8
Actual	6	7		
Met/Not Met	Met	Met		

Explanation of Measure

The targets have been adjusted to reflect work underway or planned for EDA program evaluations and for separate research, national technical assistance, and information dissemination activities. The seven reports published or presented nationally during FY 2000 are listed below:

Socioeconomic Data for Economic Development: An Assessment (Reamer and Associates, Impresa Inc. May 2000);

- An in-depth assessment of the U.S. system for generating regional socioeconomic data for the purpose of assessing data users needs, and of the extent to which those needs are currently met. Its goal is to recommend ways to better meet those needs and to provide useful information to economic development practitioners about data sources and uses.

Changing Work Organization in Small Manufacturers: Challenges for Economic Development (University of Illinois at Chicago 2000)

- An examination of changing employment practices among small and medium-sized manufacturers. It considers changes in hiring practices, employment security and retention, career ladders, and the implications of these changes for economic development policy.

Internet Based Commerce: Implications for Rural Communities (Kansas State University 2000)

- An examination of how Internet-based commerce is likely to affect rural economies and identification of challenges to rural economies, including tribal lands. The report also provides strategies available to rural communities to facilitate electronic commerce.

Reclamation and Economic Regeneration of Brownfields (E. P. Systems, Inc. 2000)

- Identifies common themes and distills lessons from more than a decade of intense efforts by practitioners to redevelop idle brownfield properties with focus on redevelopment for commercial and industrial purposes, and examines the role of local, State, and Federal economic development organizations in promoting redevelopment.

From Barracks to Business: The M.I.T. Report on Base Redevelopment (MIT 2000)

- A summary of the nationwide case-study approach on base redevelopment to determine how local communities responded when the Federal Government closed their bases.

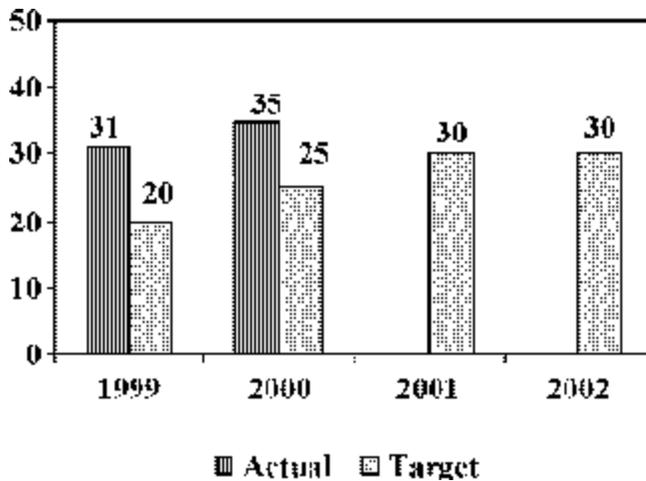
EDA GPRA Pilot I: Construction Projects (Rutgers University Nov. 1999)

- Research to report the evaluation of a sample of EDA construction projects completed in FY 1993. The report compares this sample to other projects previously evaluated to validate EDA’s performance measures for construction projects.

EDA GPRA Pilot II: RLF Projects (Rutgers University Nov. 1999)

- Research to report the evaluation of a sample of EDA revolving loan fund projects funded in FY 1993. The report compares this sample to other projects previously evaluated to validate EDA’s performance measures for revolving loan fund projects.

Measure 2f: Percentage of local technical assistance and economic adjustment strategy grants awarded in areas of highest distress



Data Validation and Verification:
Data source: Bureau of Labor Statistics current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data.
Frequency: Ongoing.
Baseline: FY 1998 grants.
Data storage: EDA database.
Verification: EDA verifies data prior to grant approval.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	20%	25%	30%	30%
Actual	31%	35%		
Met/Not Met	Met	Met		

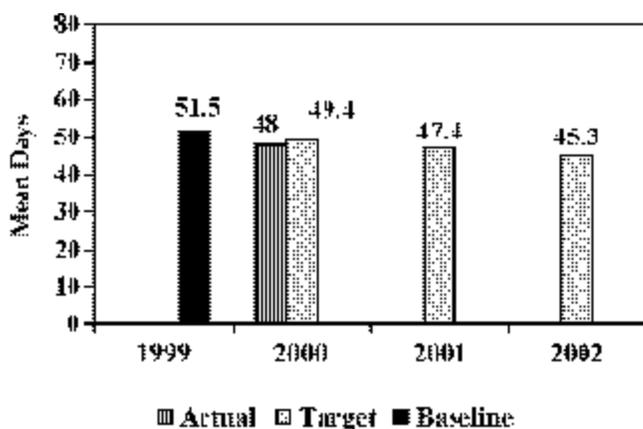
* Due to limitations in EDA’s operational planning and control system, actuals include some projects funded under supplemental operations.

Explanation of Measure

Local technical assistance grants provide specialized technical or professional services to help local officials evaluate investment opportunities and solve complex development issues. Strategy grants help local communities adjust to sudden and severe economic dislocations and long-term declines affecting key sectors of the local economy. Areas of highest distress for this measure are the same as those for Measure 1d: areas where 24-month unemployment rate is at least 180 percent of national average, or where per capita income is not more than 60 percent of national average. Disaster areas and projects for Indian Tribes are also characterized as of highest distress. EDA has exceeded targets for this measure for two consecutive years following the implementation of the Economic Development Administration Reform Act of 1998.

The target has been increased from 25 percent to 30 percent, reflecting the excellent performance of EDA Regional Offices in reaching out to areas of highest distress. The FY 2000 results also indicate that EDA is taking steps to identify and respond to sudden and severe economic dislocations. The upward adjustment is tempered by the understanding that EDA cannot fully predict the demand for disaster assistance, the severity of layoffs and plant closures, or other critical needs that may arise in any given year.

Measure 2g: Reducing certification processing time for trade-impacted firms



Data Validation and Verification:

Data source: Planning and Development Assistance Division Database.

Frequency: Annual

Adjusted Baseline: Average for FY 1998 and 1999 is 51.5 Mean Days.

Data storage: EDA database.

Verification: EDA will sample projects periodically to ensure accurate reporting.

Comment: The baseline for this measure has been adjusted to reflect a two-year average of 51.5 mean days for processing petitions. The initial baseline was 56 mean days (FY 1998).

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Adjusted Baseline FY98-FY 99 Average 51.5 Days	4% decrease 49.4 Days	8% decrease 47.4 Days	12% decrease 45.3 Days
Actual		5.8% decrease 48 Days		
Met/Not Met		Met		

Explanation of Measure

The Trade Act of 1974, as amended, requires EDA to certify firms as eligible for trade adjustment assistance. By reducing the time required to process petitions for certification, EDA can improve the timeliness of Federal assistance to trade-impacted firms. Authorization for this program lapsed in June 1999 and was renewed in November 1999. EDA continued to receive, but could not formally accept, petitions from firms during this period. To avoid lengthy delays, EDA conducted unofficial reviews, which significantly reduced official processing times for these certifications. EDA does not anticipate a similar situation in the future. EDA's performance target is a 4 percent per year decrease from the adjusted baseline (51.5 mean days) until EDA achieves and maintains processing times of 35 mean days for Trade Act certifications.

FY 2000 Program Evaluation for EDA Performance Goal 2: Build community capacity to achieve and sustain economic growth.

EDA uses program evaluations to develop valid performance measures and provide a more complete understanding of overall program performance. Systematic program evaluations also allow EDA to verify results and continue to improve program performance. Recent evaluations involving EDA planning, technical assistance, and trade adjustment programs are identified below:

Evaluations Completed:

Effective Aid to Trade-Impacted Manufacturers (Urban Institute 1998)

- EDA commissioned the Urban Institute in 1997 to evaluate the Trade Adjustment Assistance (TAA) program. The Urban Institute evaluation found statistically significant improvements in sales, employment, and survivability for firms assisted under the TAA program when compared to firms certified as eligible, but which did not receive implementation assistance.

Strategic Planning for Economic Development (Corporation for Enterprise Development et al. 1999)

- This evaluation of EDA's local planning program underscored the need for the continued active involvement of private and nonprofit sectors and all levels of government in regional economic development planning.

Evaluations Underway:

- Evaluation of University Center Program (Mt. Auburn Associates), scheduled for completion in 2001.
- Evaluation of Planning Program (Wayne State University), scheduled for completion in 2002.
- Evaluation of Revolving Loan Fund Program (Rutgers University)—includes impact of strategies that guide RLF investments; scheduled for completion in 2001.

EDA's goal is to evaluate major program activities on a regular basis (i.e., every five years, as resources permit).

Summary Actions Related to Performance Goal 2

Action Plan

Strategies	Activities
<p>Strengthen and expand EDA's capacity for strategic planning and investment activities through a national network of funded Economic Development Districts (EDDs); Indian tribes; University Centers; and Trade Adjustment Assistance Centers (TAACs). These networks work in unison to enhance local capacity, remove barriers to economic growth, and increase local participation as well as Commerce and other Federal initiatives.</p>	<ul style="list-style-type: none"> • Provide professional staff and technical expertise to support the effective planning of economic development programs through a network of regional planning organizations and Technical Assistance centers. • Award grants to support strategic planning and technical assistance providers. • Expand an EDA Web page to disseminate national research and other pertinent materials dealing with economic development.
<p>Disseminate information about research, best practices, and new knowledge about economic development issues and problems affecting distressed communities and diverse local economies to institutions, communities and entities engaged in enhancing America's economic competitiveness.</p>	<ul style="list-style-type: none"> • Provide research and national technical assistance grants for cutting edge research. • Perform evaluations that provide practical, up-to-date information on the effectiveness of tools for economic competitiveness. • Sponsor new research. • Encourage State and local practitioners to share information. • Use EDA's Web site to share information and research findings.

Cross-Cutting Issues

EDA planning and technical assistance programs help communities to identify and coordinate Federal, State, and local resources. EDA partners with other Federal agencies to improve the delivery of assistance to distressed areas. EDA also works with Federal, State, and local entities to improve outreach, training, and information dissemination for local officials and economic development practitioners. At the Federal level, examples of major partners include:

- *Federal Emergency Management Agency (FEMA)*—Early response, coordination, assessment, mitigation, and economic recovery efforts following major disasters.
- *Environmental Protection Agency (EPA)*—Strategies to redevelop brownfields and improve air quality in ways that benefit economically distressed communities.
- *Department of Defense Office of Economic Adjustment (OEA)*—Economic adjustment strategies and grants for base reuse and communities affected by Base Realignment and Closure Commission (BRAC) decisions.
- *Department of Energy (DOE)*—Economic adjustment assistance to communities affected by closures of Federal energy labs and facilities.
- *Appalachian Regional Commission (ARC)*—Community and economic development assistance for economically distressed areas in the 13-state Appalachian region.
- *Department of Agriculture, Rural Development/Rural Utilities (USDA-RD/RU)*—Infrastructure and business financing for enterprise development in rural areas.
- *Department of Transportation (DOT)*—Improvements to highway, port, rail, and airport facilities to support private investment in distressed communities.

- *Department of Housing and Urban Development (HUD)*—Coordination of Community Development Block Grants (CDBG) funds for economic development at the State and local levels; support for Empowerment Zones, Enterprise Communities, and Renewal Communities.

EDA also collaborates with other Commerce bureaus on cross-cutting initiatives. Examples include collaboration on the following Commerce priorities:

- *National Oceanic and Atmospheric Administration (NOAA)*—strategies to promote sustainable development, disaster reduction, protection of natural resources, and the development of eco-industrial parks.
- *National Institute of Standards and Technology (NIST)*—technology deployment and assistance to small manufacturers in economically distressed areas.
- *National Telecommunications and Information Administration (NTIA)*—strategies to upgrade telecommunications infrastructure in distressed rural and urban communities.
- *Minority Business Development Agency (MBDA)*—increased support for minority business development and entrepreneurship, and for minority-serving institutions.

External Factors and Mitigation Strategies

- Downturns in the national or regional economy can increase the demand for EDA assistance and reduce the availability of State and local funding. EDA regulations provide for waivers or reductions of the non-Federal share, allowing EDA to cover a higher share of total project costs depending on the level of distress demonstrated by the local community.
- Changes in business climate and financial markets can increase the level of risk associated with investment decisions, particularly for firms considering establishing or expanding operations in highly distressed areas. More extensive market research, feasibility studies, and cost analyses are required to support both public and private investments, increasing the demand for technical assistance.
- Natural disasters and other major events can dramatically impact local economies and create an unanticipated demand for EDA assistance. This can affect performance in several ways, increasing the number of areas that are eligible for assistance and the number of areas in highest distress.
- Such emergencies often require early EDA assistance in the form of impact analysis and disaster coordinators funded through EDA's economic adjustment program, and can alter funding priorities under regular EDA programs. This effect is more apparent in years when supplemental funding is delayed or unavailable.

Mitigation strategies include:

- Strengthening local, State, and sub-State capacity for long-term planning, emergency response, and economic adjustment strategies.
- Maintaining flexible program and funding authorities and budget priorities, and effective partnerships with other Federal agencies to improve assistance to distressed areas.
- Working directly with local communities, through experienced EDA field staff, to achieve long-term objectives and with State and local officials to coordinate early warning, rapid response, disaster mitigation, and recovery.



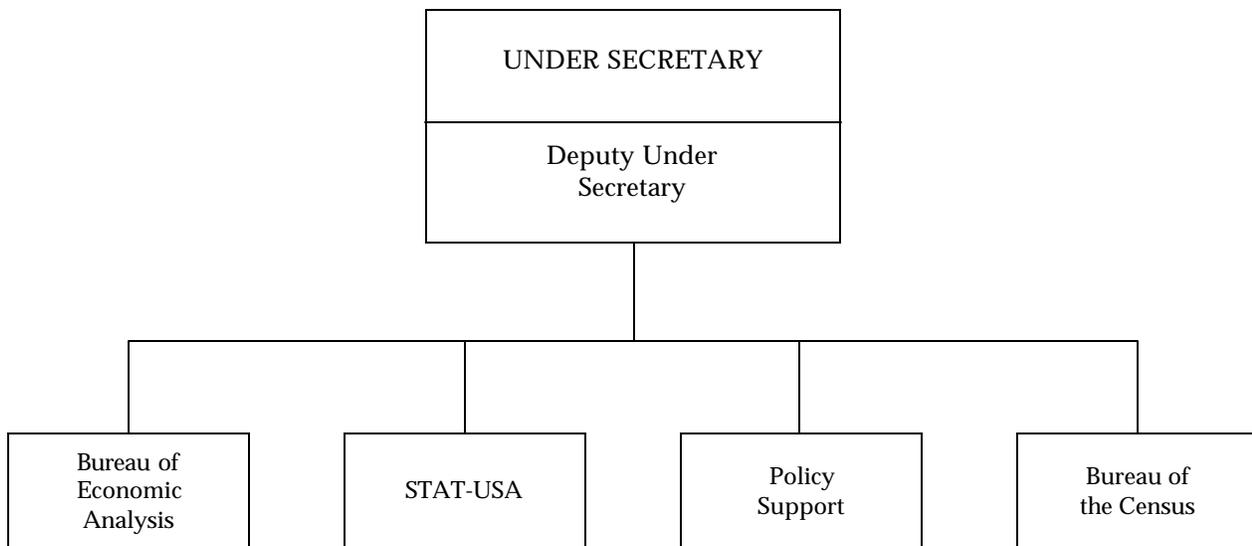
Economics and Statistics Administration

Mission Statement

Help maintain a sound federal statistical system that monitors and measures America's rapidly changing economic and social arrangements; Improve understanding of the key forces at work in the economy and the opportunities they create for improving the well-being of Americans; Develop new ways to disseminate information using the most advanced technologies; Support the information and analytic needs of the Commerce Department, the Executive Branch, and the Congress

The United States is the world's economic information leader, due in large part to the timely and accurate data and analyses produced by the agencies of the Economics and Statistics Administration (ESA). These agencies, the Bureau of the Census and the Bureau of Economic Analysis (BEA), collect vital demographic and economic data through the decennial census and other surveys and produce key economic measures such as the gross domestic product and the balance of payments. The data produced by BEA and Census and the analyses produced by ESA headquarters affect the lives of all Americans by providing the President, Congress, local communities, and businesses with the information they need to make sound decisions.

Organizational Structure



ESA Headquarters includes the Office of the Under Secretary, and policy support staffs, and STAT-USA, which is funded through ESA's revolving fund. The Census Bureau is reported separately.

The Economics and Statistics Administration (ESA) includes: ESA Headquarters, the Bureau of Economic Analysis, and the Bureau of the Census

ESA Headquarters

ESA headquarters (comprised of the Office of the Under Secretary, the Chief Economist, the Policy Support staff, and STAT-USA) has four main roles: 1) to provide executive direction, management, financial analysis, and administrative support to all ESA agencies; 2) to evaluate current economic conditions; 3) to provide economic policy analysis; and 4) to provide data dissemination services.

The Office of the Under Secretary provides leadership and executive oversight of all activities of ESA. The Chief Economist and the Office of Economic Conditions monitor and interpret major new economic statistics with the goal of anticipating the future directions of the economy. The economists of the policy support office conduct research on the factors contributing to U.S. industrial strength and the relationship between industry performance and economic growth, including recent major studies on the scope and economic impacts of electronic commerce. Data dissemination services are provided by STAT-USA, an easy to use, "one-stop shop" that provides a focal point for business, economic, and trade statistics. STAT-USA is a revolving fund account that requires no government funding.

STAT-USA

STAT-USA provides the public with access to key business, economic, and international trade information. STAT-USA's mission is to "produce, distribute, and assist other government agencies in producing world-class business, economic, and government information products that American businesses and the public can use to make intelligent and informed decisions." It accomplishes this goal through four primary products and services:

- STAT-USA(R)/Internet
- National Trade Data Bank (NTDB) (R) CD-ROM,
- USA Trade (R) CD-ROM, and
- USA Trade (R)Online

With over 17 years of sustained performance in producing and delivering business information, STAT-USA has acquired the reputation as a model for Federal agencies. STAT-USA builds effective yet inexpensive government data dissemination systems that effectively and efficiently provide business, economic and international trade information to American businesses and the public.

STAT-USA operates on a revolving fund, obtaining all financial support for its activities through the fee sales of information products and services. It receives no Congressional funding.

The most important issue facing STAT-USA is the need to identify new markets for its products. In light of the rapid growth of the Internet and increased availability of economic data, STAT-USA works constantly to identify ways to improve information delivery and enhance product content as a means to enhance its value to consumers.

As cited in the Department of Commerce FY 2000-2005 Strategic Plan, STAT-USA plans to:

Identify new markets for products and services to increase the customer base

- The information distributed by STAT-USA is critical to sound economic decision-making in a variety of business venues. STAT-USA plans to expand the customer base beyond the export and trade industries to support other related business areas such as investment and financial management. For these new business markets to be viable, the information must be shown to support their needs.
- STAT-USA will analyze information provided in STAT-USA products and develop additional market opportunities by increasing the customer base by five percent.

- STAT-USA has a business and marketing plan that links employee evaluations to how well we meet our annual goals and objectives. This is accomplished by conducting analysis of customer contacts and related sales.

Increase customer involvement to improve customer satisfaction.

- To meet the economic information needs that contribute to effective decision making for businesses involved in exporting activities, STAT-USA must disseminate economic and trade information for E-commerce. The usefulness of the data can be measured by the total fee sales and by the level of satisfaction reported in customer surveys.

	FY 1999 Target	FY 2000 Target	FY 2001 Target	FY 2002 Target
Total fee sales	\$2.1M	\$1.9M	\$1.9M	\$2.0M
Customer survey results (mean customer satisfaction rating)	NA	NA	Over 90% satisfaction rate	Over 90% satisfaction rate

- STAT USA will initiate OMB approved customer survey and utilize results to identify actions that might be taken to improve STAT-USA products and services in support of increased sales.

Increase Supplier Involvement

- STAT-USA data suppliers need to be kept abreast of the types of statistical data that are collected, and the composition of the customer markets who are utilizing the data. These agencies will then understand that timely receipt and accuracy of the data they supply is paramount to STAT-USA's ability to maintain its position in a competitive e-marketplace.
- STAT-USA will establish Memorandums of Understanding for major STAT-USA data suppliers that update database content for accuracy and improve methods of data collection for on-time delivery.
- Contact major data suppliers to discuss STAT-USA content requirements and pursue the potential to provide enhanced access to other related data supportive of agency missions and the public need for expansion of E-commerce.

STAT-USA also performs services for other Department of Commerce agencies, primarily in the area of LAN support and website development.

The Bureau of Economic Analysis

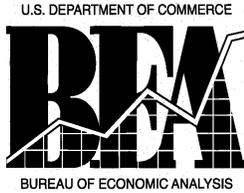
The Bureau of Economic Analysis (BEA) is the Nation's economic accountant, developing measures and systems for collecting and interpreting vast amounts of diverse data from both government and private sources. BEA combines and transforms those data into a consistent and comprehensive picture of economic activity, which is summarized by the estimates of gross domestic product (GDP). BEA's national, regional, and international economic accounts form much of the core of the Federal statistical system and are critical to informed decision-making by businesses, individuals, and Federal, State, and local governments. These data, which provide the yardsticks by which the health and potential of the economy are measured, are vital ingredients in major decisions affecting such areas as interest rates, tax and spending policies, and social security projections. Thus, they affect every American who runs a business, saves for retirement, or takes out a mortgage on a house.

The Bureau of the Census

The Bureau of the Census chronicles societal and demographic change. The Bureau fulfills the constitutionally-mandated requirement to conduct a decennial census, and the Bureau collects a wide range of economic and demographic data. The data provided by the Bureau of the Census shape important policy decisions that help improve our Nation's social and economic conditions.

Summary

ESA's staff and programs provide vital information, analysis, and advice to Department of Commerce officials and other Executive Branch Departments, agencies, and officials. Many of the Nation's decisions are based upon the economic and demographic information the agency produces.



Bureau of Economic Analysis

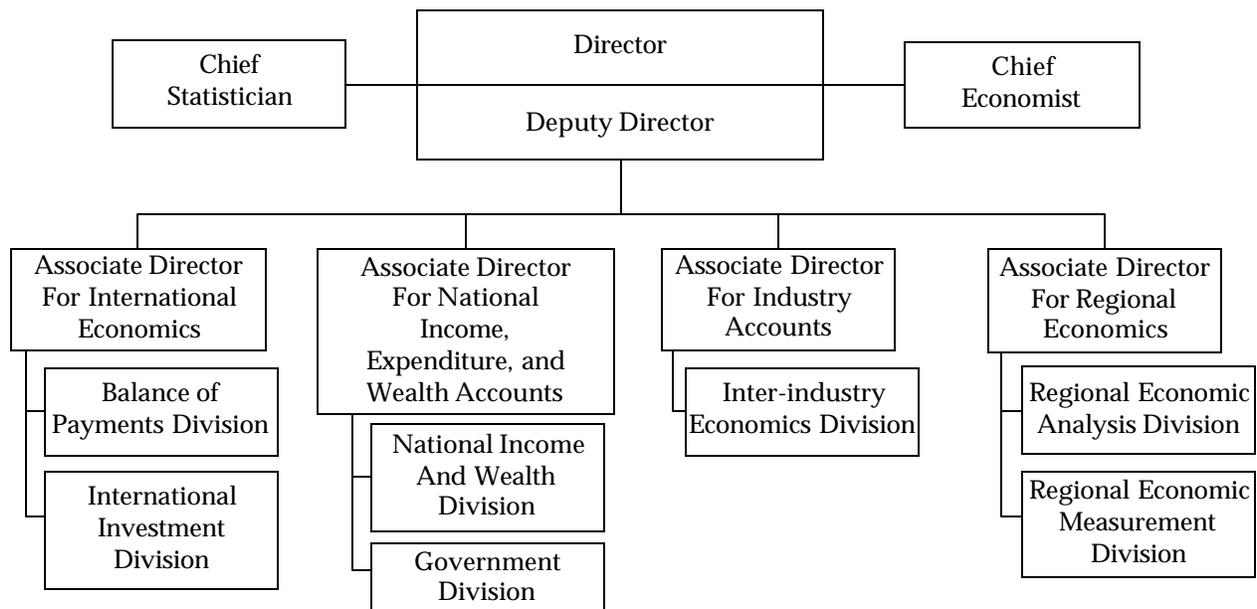
Mission Statement

The Bureau of Economic Analysis (BEA) seeks to strengthen understanding of the U.S. economy and its competitive position by providing the most accurate and relevant GDP and economic accounts data in a timely and cost effective manner.

BEA is one of the world's leading statistical agencies. Although it is a relatively small agency, BEA produces some of the most closely watched economic statistics that influence the decisions made by government officials, business people, households, and individuals. BEA's economic statistics, which provide a comprehensive, up-to-date picture of the U.S. economy, are key ingredients in critical decisions affecting monetary policy, tax and budget projections, and business investment plans. The cornerstone of BEA's statistics is the National Income and Product Accounts (NIPA's), which feature the estimates of gross domestic product (GDP) and related measures. The GDP was recently recognized by the Department of Commerce as its greatest achievement of the 20th Century and has been ranked as one of the three most influential measures that affect the U.S. financial markets.

Since the NIPA's were first published, BEA has developed and extended its estimates to cover a wide range of economic activities. Today, BEA prepares national, regional, industry, and international accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships, and the Nation's position in the world economy.

Organizational Structure



Priorities

The Bureau of Economic Analysis, working with the Department of Commerce, has determined two major priorities for FY 2002. These priorities reflect the goals set forth in BEA's strategic plan for improving its economic accounts and are critical for the success of BEA in maintaining its reputation as a timely, accurate producer of quality economic measures. The priorities include:

1. **Continue to Improve Core Statistics including GDP and Related Measures.** This multi-year initiative continues the long overdue work begun in 2001 to improve the GDP accounts by filling critical gaps in coverage and by addressing the persistent and growing measurement error in GDP and national income.
2. **Update Information Technology Systems.** This initiative includes: a) replacing the overburdened and outdated GDP processing system, b) redesigning the BEA Internet site to enhance user access to data, c) providing for increased electronic reporting options by businesses, and d) updating aging IT hardware and systems.

Management Challenges

The past decade experienced dramatic changes in the U.S. and world economies with the exponential growth of technology and E-commerce. This continual evolution of our economy—in complexity, diversity, and technology—has created significant measurement problems. BEA has strived to improve its source data and methodologies to close gaps in the coverage of key GDP components, and it must develop measures of new and rapidly growing economic activities. To do this, BEA must develop new methods to incorporate the changing economy as well as improve its ability to process and disseminate such information. These challenges are summarized below.

Continue to Improve Core Statistics including GDP and Related Measures. BEA's highest priority is the ongoing improvement in the accuracy and reliability of its economic account estimates. These economic statistics, including GDP and its components, provide government and private decision makers with essential information on the performance and potential of the U.S. economy. These data are vital ingredients in decisions affecting such areas as interest rates, tax and spending policies, and social security projections. BEA realizes how important its data are and how much they are relied on by a wide range of data users. The challenge facing BEA is to maintain and improve the timeliness, relevance, and quality of its data, so that they provide an accurate and comprehensive picture of economic activity. This has become increasingly difficult as the U.S. economy has undergone dramatic increases in size and complexity. Entire new industries have emerged, with products and services and types of transactions that were unknown a decade ago.

In addition to its backlog of other data improvements to be addressed, BEA must find ways to measure these new activities and include them in its comprehensive economic accounts. To accomplish this, it is essential that BEA establish new data sources and new estimation methodologies. BEA has been hampered in measuring this new economy over much of the past decade by funding limitations that often did not keep up with inflation. FY 2001 was the first year in eight in which BEA received funding for initiatives to update and enhance the GDP and its components.

Update Information Technology Systems. BEA also is faced with the challenge of maintaining and improving its information technology infrastructure. A key issue is the seriously outdated and overburdened GDP processing system. The implementation of chained price indexes and other statistical improvements in BEA's economic accounts greatly increased the volume and complexity of the computations required to produce the GDP and related estimates. This has increased the burden on the GDP processing system and raised the real possibility of a catastrophic breakdown, which would result in failure to meet the GDP release schedule. Such a failure would have serious repercussions for the financial markets, which anticipate the reliable release of these critical data. In FY 2001, BEA began an initiative to replace the outdated and overburdened GDP processing system as well as provide for a redesign of the BEA Website along the lines recommended by users. In addition, BEA seeks to increase its electronic reporting option by businesses and update some of its aging IT hardware and software.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1: Develop relevant, accurate, and timely national and community economic and household statistics for decision making						
Measures	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Timeliness of GDP (international ranking)	New	New	New	1st	1st	1st
Reliability of delivery (% of scheduled releases issued on time)	100%	100%	100%	100%	100%	100%
Customer satisfaction (mean rating on a 5-point scale)	>4.0	N/A (survey postponed to 2000)	>4.0	4.3	4.3	4.3

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY 2000 Request	FY 2000 Actual	FY 2001 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1 ESA						
Policy Support:						
Total Funding	5.6	6.5	6.5	6.6	7.3	7.1
FTE	50	52	40	52	52	52
STAT-USA:						
Total Funding	5.0	6.0	2.0	3.0	2.2	2.7
FTE	19	35	19	35	19	25
BEA:						
Total Funding	44.5	51.0	46.0	50.5	49.4	57.4
IT Funding*	6.0	8.4	6.1	9.3	6.4	10.1
FTE	414	465	409	451	440	467
Grand Total:						
Total Funding	55.1	63.5	54.5	60.1	58.9	67.2
Reimbursable**	1.8	2.4	1.7	2.4	2.0	2.0
IT Funding*	6.0	8.4	6.1	9.3	6.4	10.1
FTE	483	552	468	538	511	544

*IT Funding included in Total Funding

** Reimbursable Funding included in Total Funding

Skill Summary:

Economists, accountants, statisticians, computer specialists

Performance Goal 1: Develop relevant, accurate, and timely national and community economic and household statistics for decision making

Corresponding DOC Strategic Goal and Objective:

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.3: Support the effective decision-making of policymakers, businesses, and the American public

Rationale for Performance Goal

The data produced by BEA are critical to sound economic decision-making at all levels, from individuals to the highest-level policymakers. It is essential that BEA's statistics provide an accurate and comprehensive picture of economic activity. To be most useful to data consumers, these data must be as up-to-date as possible (timely), consistently released on schedule (reliable), and useful and available to the public (customer satisfaction). These three indicators of performance have been measured and are reported below, showing that BEA excels in providing quality products and services to its customers.

This FY 2002 performance goal is essentially the same as the FY 2001 goal of "Provide accurate, timely, and relevant economic data." The wording was changed to clarify the goal's scope to encompass the statistical programs of BEA's sister agency, the Census Bureau. The FY 2001 performance goal was the result of a straight-forward merger of the two FY 2000 goals, "Provide quality data" and "Provide timely and relevant data," into a single but equally inclusive goal.

Measure 1a: Timeliness of GDP (international ranking)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	1 st	1 st
Actual		1 st		
Met/Not Met				

Data Validation and Verification:

Data source: Data on the time lag between the reference period and the release of GDP estimates by the statistical agencies of various countries are compiled by the International Monetary Fund (IMF) and are available on the IMF Website (dsbb.imf.org). Ranking is derived by BEA by comparing U.S. performance with that of all other countries (currently 37) that meet the specifications of IMF's Special Data Dissemination Standard.

Frequency: Measure compiled annually.

Data storage: Data on timeliness of GDP estimates are compiled and maintained by the IMF, based on information supplied by each country, and are available on the IMF Website.

Verification: Data on timeliness of GDP by country are publicly available on the IMF Website. Ranking of countries is derived by BEA and can be verified via the Internet.

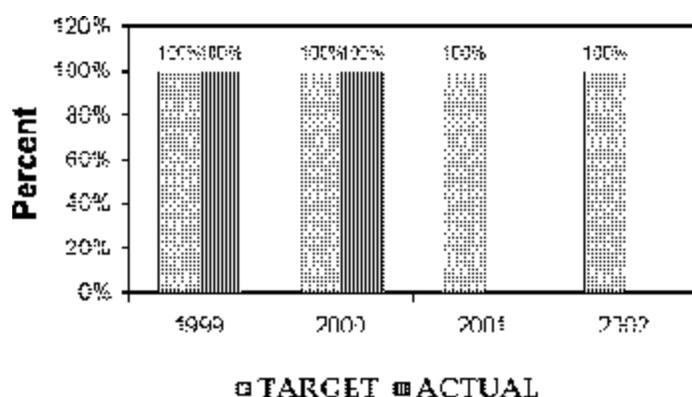
Explanation of Measure

BEA ranked first among major government statistical agencies in the world in producing its GDP data in a timely fashion. This measure is based on the objective and impartial compilation of economic accounts

information by the International Monetary Fund (IMF). Producing data with as short a time lapse as possible is important to data consumers who use BEA economic data as inputs in their decision-making processes. This achievement ensures that the private sector is able to make informed decisions before their counterparts in other countries, and that government officials have the most up-to-date information to make critical economic decisions. Given the appropriate level of support, BEA intends to maintain this rank in FY 2001 and FY 2002.

Measure 1b: Reliability of delivery (% of scheduled releases issued on time)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	100%	100%	100%	100%
Actual	100%	100%		
Met/Not Met	Met	Met		



Data Validation and Verification:

Data source: A schedule of release dates for the coming year is published each fall in the *Survey of Current Business* and is posted on BEA's Website. BEA maintains a record of subsequent actual release dates.

Frequency: Measure compiled annually.

Data storage: BEA's Current Business Analysis Division maintains the schedule of future release dates and the record of actual release dates. Both sets of information are available on BEA's Website

Verification: Scheduled and actual release dates are a matter of public record and can be verified via the Internet.

Explanation of Measure

BEA has issued all of its economic data releases on schedule since this performance measure was instituted. The importance of these data as an ingredient of sound economic decision-making requires BEA to deliver its data into the hands of decision makers and other data users not only quickly but also reliably; i.e., on schedule. This goal was achieved in FY 1999 and FY 2000 despite serious concerns over GDP computer processing systems that were at risk of failure. Given adequate investments in these systems, BEA will continue its perfect record of issuing its data releases on schedule.

Measure 1c: Customer satisfaction (mean rating on a 5-point scale)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	>4.0	>4.0	4.3	4.3
Actual	NA (survey postponed to 2000)	4.3		
Met/Not Met	NA (survey postponed to 2000)	Met		

Data Validation and Verification:

Data source: BEA customer survey.

Frequency: It is expected that customer surveys will be conducted annually if adequate resources are available.

Data storage: Survey is conducted and results compiled by BEA's Current Business Analysis Division, which retains records of raw data and computations leading to final results.

Verification: Survey results are reviewed for accuracy and reasonableness and reported by BEA in its annual Customer Satisfaction Report published in the *Survey of Current Business*.

Explanation of Measure

The BEA customer survey conducted in 2000 found that 93 percent of respondents were satisfied with the quality of BEA's products and services for an average score of 4.3, on a scale of one (low) to five (high). These results exceeded the 4.1 rating achieved in the previous customer survey conducted in 1995. As part of an effort to emphasize user satisfaction with BEA's products and services, the customer survey will be conducted regularly. Levels of performance for FY 2001 and FY 2002 have been set that take into consideration the importance of maintaining the existing high level of satisfaction.

FY 2000 Program Evaluation for Performance Goal 1: Develop relevant, accurate, and timely national and community economic and household statistics for decision making

BEA is currently in the process of developing a new 5-year strategic plan to guide it through the next half-decade of management challenges faced during a time of limited budgets and dramatic economic changes. The new plan is scheduled for public release by the end of 2001. To assist in evaluating BEA programs and help guide its strategic plan, BEA established an advisory committee of 13 distinguished economists from universities, research groups, and private businesses to advise BEA on a broad range of subjects related to the development and improvement of BEA's economic accounts, especially in areas of new and rapidly growing economic activities associated with innovative and advancing technologies. The committee held its first semi-annual meeting in FY 2000, at which discussions concentrated on measuring the "new economy," especially in the areas of banking services and the treatment of software purchases as investment. Future meetings will focus on other areas of concern, such as priorities for the industry and international accounts.

Additional evaluations were conducted through the BEA customer survey, which sought to determine how customers evaluate BEA's products and services. In addition to revealing a high level of satisfaction with BEA's products and services, the survey provided valuable feedback on what is most important to BEA's customers. For example, customers use the GDP accounts and state and local personal income most frequently. Also, two-thirds of the respondents are frequent users of the BEA Website.

And finally, a recent private study described the GDP and related measures produced by BEA as one of the three most important statistical releases that affect the financial markets.

Discontinued Measures

Data Accuracy Score-on a scale of 100

	FY 1999	FY 2000	FY 2001	FY 2002
Target	85	>85	Discontinued	Discontinued
Actual	NA			
Met/Not Met				

Explanation of Measure

The performance measure of *data accuracy* included in the past was discontinued due to the lack of reliability in the measure. This measure was discounted because its concept was too ambiguous and its computation too arbitrary to be useful. Thousands of data series, some from sample surveys and many from other sources, are used to construct GDP and other estimates. For years statisticians have tried to develop measures of accuracy for GDP but have been unable to overcome the issues of non-sample data sources. Therefore, a reasonable and acceptable quantitative measure of data accuracy could not be constructed.

Similarly, the *Internet Website utilization* and *updated and improved GDP processing system* performance measures listed in the Commerce Department's FY 2000-2005 Strategic Plan have been dropped from the FY 2002 performance plan. Website usage and technology are growing and changing so rapidly that it is questionable how meaningful any measures and targets can be. The development of a new GDP processing system is critical to BEA's production of relevant, accurate, and timely statistics, but it can not be measured directly in a quantitative way. Indirectly, the results of a new processing system will be reflected in the existing performance measures of timeliness, reliability, and customer satisfaction.

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
Provide improved measures of output (real GDP) and prices	<ul style="list-style-type: none"> • Develop new measures of services and other key product-side components • Develop updated measures of compensation and other key income-side components • Develop new quality-adjusted price indexes and real GDP indexes for difficult-to-measure components of GDP, such as telecommunications goods and services, insurance and financial services, medical care, and education • Develop new measures of economic activity in the nonprofit sector
Provide updated measures of investment, savings, and wealth	<ul style="list-style-type: none"> • Develop integrated saving and financial wealth estimates • Develop improved treatment of stock options and pensions
Provide improved measures of U.S. international trade and finance	<ul style="list-style-type: none"> • Develop expanded surveys of international trade in services • Develop new measures of financial derivatives
Provide upgraded and expanded information technology support for BEA program areas	<ul style="list-style-type: none"> • Develop and implement new GDP-processing system • Redesign Website to improve user access to BEA data products • Develop and implement electronic reporting by respondents to international investment surveys • Build secure electronic bridges to primary data suppliers • Update aging IT hardware and systems

Cross-Cutting Activities

Intra-DOC

Bureau of the Census, Bureau of Labor Statistics (BLS), and Internal Revenue Service (IRS): BEA works closely with these Federal agencies, which are the principal suppliers of source data used to compile BEA's economic accounts. Agency representatives meet regularly to maintain an awareness of their joint and individual statistical problems and needs and to facilitate cooperation in meeting those needs. The scheduling of BEA release dates is based largely on the availability of source data from Census and BLS.

Other Government Agencies

Interagency Council on Statistical Policy (ICSP): Under the auspices of the Office of Management and Budget, BEA is a major participant in the ICSP, which works to improve collaborative activities of Federal statistical agencies. Activities of the ICSP have led to standardization of data and concepts, transfers of technology, methodology exchange, collaborative research, process improvement, improved customer service, reduced respondent burden, and infrastructure sharing.

To obtain source data for its economic accounts, BEA maintains close working relationships with agencies producing statistics in most of the Executive Branch Departments of the government, including Agriculture, Defense, Education, Energy, Health and Human Services, Labor, Transportation, and Treasury.

External Factors and Mitigation Strategies

BEA is highly dependent on other government agencies and private organizations for the source data it uses to produce its economic accounts statistics. Thus, BEA's ability to provide relevant, accurate, and timely economic data and to move forward with improvements in its economic accounts is constrained by the quality and availability of that source data. BEA works closely with its data sources to obtain the best and most complete data possible and continually refines its estimation methods to improve its measures, especially in areas with source data deficiencies.



Bureau of the Census

Mission Statement:

To be the preeminent collector and provider of data about the people and economy of the United States.

The goal of the U.S. Bureau of the Census is to provide the best mix of timeliness, relevancy, quality, and cost for the data collected and services provided. The data provided by the Bureau of the Census shape important policy decisions that help improve our Nation's social and economic conditions:

- Census data provide the basis for estimating the gross domestic product (GDP) and leading economic indicators,
- Census data determine the apportionment of Congressional seats, as mandated in the Constitution.
- Census data inform us about education, income, poverty, and health care coverage.
- National, State, and local governments use Census data to formulate policy.
- Large corporations and local businesses use Census data to devise their domestic and global strategies.

The credibility, expertise, and high statistical standards of the Bureau of the Census routinely elicit response rates of 90-95 percent for household surveys and 80 percent for business surveys. This allows the Bureau of the Census to provide the most accurate and reliable information available.

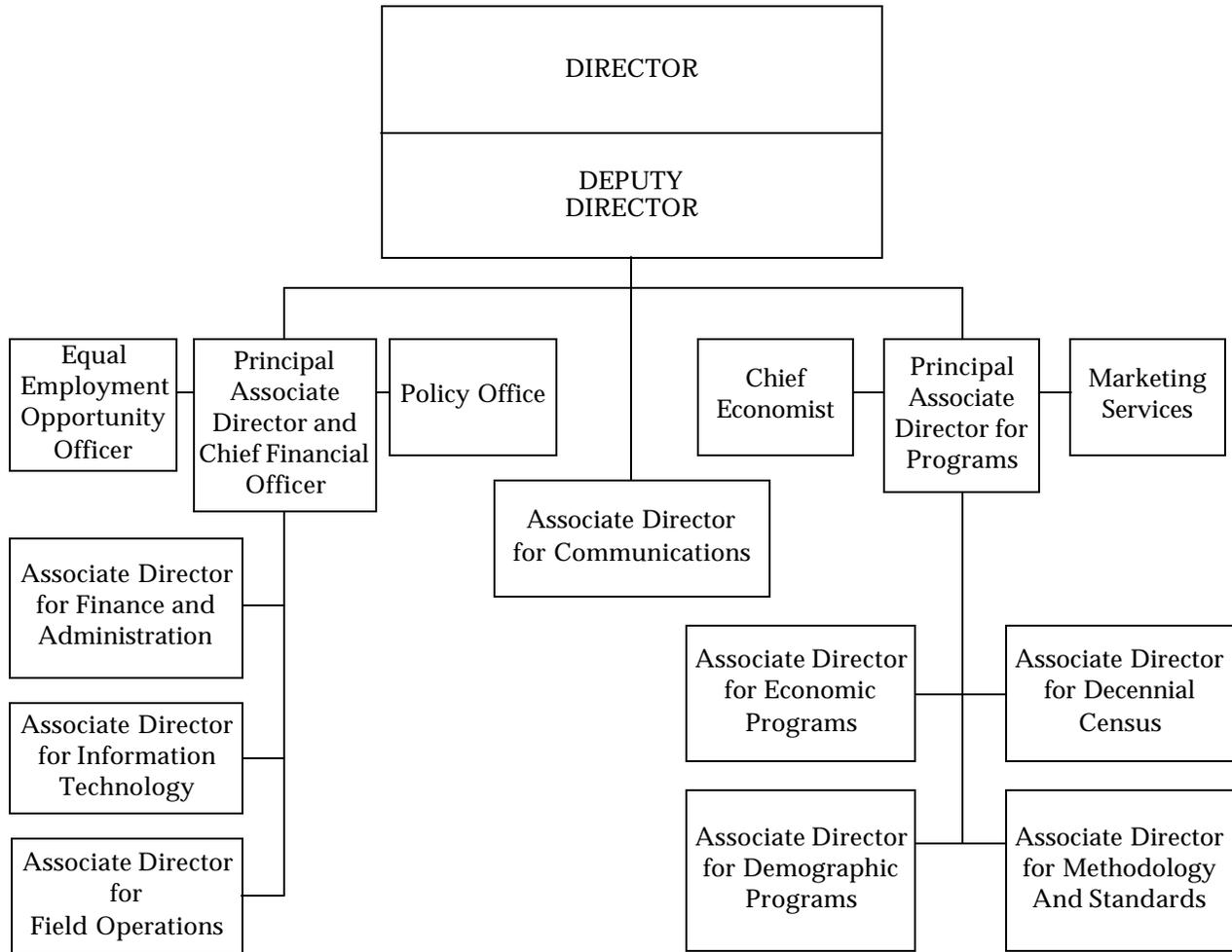
The Bureau of the Census has developed four bureau-wide strategies to achieve its mission. All goal-level strategies fall within one, or a combination, of, these bureau-wide strategies:

- Valuing our employees
- Innovating in our work
- Responding to our customers
- Improving public cooperation

FY 1999 saw the Bureau's first Annual Performance Plan. The two performance goals identified at that time, and continued into FY 2000, were: 1. Provide quality data and 2. Provide timely and relevant data. These two goals covered all Bureau programs. However, subsequent feedback from our stakeholders indicated that we needed to separately identify a Census 2000 performance measure for the FY 2001 Annual Performance Plan. In response, we combined the original two performance goals and added a new Census 2000 goal in the FY 2001 Annual Performance Plan. This resulted in two revised goals: 1. Provide accurate, timely, and relevant demographic data and 2. Conduct the Decennial Census.

FY 2002 will mark the first year for identifying specific performance targets for the 2010 Census. Consequently, we have added a new, third goal addressing the 2010 Census. Also, we have made some wording changes to clarify the scope of goal 1. As a result, our three goals for the FY 2002 Annual Performance Plan are: 1. Develop relevant, accurate, and timely national and community economic and household statistics for decision-making, 2. Conduct the Decennial Census (FY 2000, FY 2001, and FY 2002) and 3. Define—through consultations, policy assessment, planning, research, experiments, and evaluations—the plan for the 2010 Census.

Organizational Structure



Priorities

The Census Bureau's mission is to collect and provide high-quality statistics about the American people and economy. The Decennial Census is well known because it is a national event that involves everyone every 10 years. However, less widely known is that the Census Bureau continuously conducts numerous other censuses and surveys for government, private entities, and individuals.

To deliver high value, the Bureau must target measurement on those trends and segments of our population and economy most critical to continued American success and prosperity. In FY 2002, the Census Bureau will focus activities in these areas through a variety of priority program efforts that continue and improve ongoing statistical programs. These include completing Census 2000, planning the 2010 Census, obtaining cyclical economic data through the Economic Censuses, and the Census of Governments, and conducting the Demographic Survey Sample Redesign program. Additionally, the Bureau plans to improve on its data dissemination, obtain e-commerce and services sector data, and expand export-import trade data collection, analysis, and dissemination.

Management Challenges

Privacy

Greater resistance to authority, continued decline in trust of government, and a greater demand for quality will complicate the Census Bureau's data gathering efforts and ability to maintain or increase response rates. The Bureau must convince the public that it needs the cooperation of citizens in order to produce quality information demanded by policy makers and other data users. The Bureau will have to continually demonstrate its expertise in educating the public more thoroughly on the quality and security of its data, and its ongoing sensitivity to anonymity and privacy issues.

Workplace & Workforce

The Census Bureau will continue to deal with what a multi-racial and multi-ethnic society means for itself as an agency, for its mission, and for its workforce. Fostering greater diversity in the Bureau's workforce, and more importantly, in its management and leadership, will help in creating surveys that are more sensitive to the knowledge and cultural base of the people they are surveying. Fostering diversity will also help the Bureau recruit and retain a trained and skilled work force necessary to maintain the high value of its work.

Customers and Respondents

Recent surveys have shown that more people feel they have less time available to do whatever they need to do, including work, sleep, look after their families, and enjoy leisure. The Census Bureau will consider new approaches to saving customers' time and reduce respondent burden, being more positive in customer relations, and in ensuring that the customers' needs are met.

Technological

The use of technology is required to ensure that the Census Bureau operates in the most efficient and effective manner possible. The Bureau will continue to improve the use of technology in data collection, processing, and dissemination environments. It will be increasingly difficult for the Census Bureau's core businesses - censuses and large scale surveys - to stay in front of the demand from policy makers for accurate and timely information on emerging economic and societal trends without the use of state-of-the-art technology. Likewise, Bureau management will employ effective and efficient information management tools to manage the organization and its resources. As always, the Bureau will mitigate the possibility of criminal and/or malicious access to all of its networks and data.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1: Develop relevant, accurate and timely, national and community economic and household statistics for decision-making.						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY2000 Actual	FY 2001 Target	FY 2002 Target
Percentage of household surveys attaining specified reliability measurements	100%	100%	100%	100%	100%	100%
Percentage of household surveys with initial response rates >90%	100%	100%	100%	100%	100%	100%
Percentage reduction from time of data collection to data release for selected household surveys	5% time decrease	9% time decrease	Maintain FY1999 actual time achieved	Maintain FY1999 actual time achieved	Maintain FY1999 actual time achieved	Maintain FY99 actual time achieved
Percentage of principal economic indicators released as scheduled	New	New	New	New	New	100% on time

Performance Goal 2: Conduct the Decennial Census (FY 2000 , FY 2001, and FY 2002).						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Disseminate Census 2000 products	N/A	N/A	N/A	N/A	100% of scheduled releases	100% of scheduled releases

Performance Goal 3: Define—through consultations, policy assessment, planning, research, experiments, and evaluations—the plan for the 2010 Census.						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Percentage completion of housing unit address list	New	New	New	New	New	Prepare plan and systems by end of FY 2002 to measure housing unit coverage of the address list. List is at least as complete as it was for Census 2000, as measured by the Accuracy and Coverage
Release 2001 data from LFTDB* *Long-Form Transitional Database	New	New	New	New	New	Complete all field activities supporting the release of 2001 data from LFTDB in July 2002

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY 2000 Request	FY 2000 Actual	FY 2001 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1						
Total Funding	491.8	439.5	434.8	500.3	496.9	524.1
IT Funding*	205.0	375.0	375.0	329.0	329.0	256.0
FTE	5,753	5,973	5,502	6,489	6,281	6,439
Performance Goal 2						
Funding	1,083.9	4,591.6	4,144.0	455.3	508.9	158.7
IT Funding*	214.0	95.0	95.0	59.0	59.0	40.0
FTE	14,886	99,027	80,939	4,497	4,456	1,151
Performance Goal 3						
Total Funding	New	New	New	New	23.6	78.2
IT Funding*					0	19.1
FTE					442	968
Grand Total						
Total Funding	1,575.7	5,031.1	4,578.8	955.6	1029.4	761.0
Reimbursable**	173	185	171	188	191	195
IT Funding*	419	470	470	388	388	315.1
FTE	20,639	105,000	86,441	10,986	10,737	8,558

*IT Funding included in Total Funding

** Reimbursable Funding included in Total Funding

Skills Summary:

The Bureau's program staff skills and expertise include: large-scale census and survey methodology; statistical standards and methodology; large database development and management; data processing and analysis; confidentiality expertise; and data dissemination.

FY 2002 Performance Goals

Performance Goal 1: Develop relevant, accurate, and timely, national and community economic and household statistics for decision-making

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Objective 1.3: Support the effective decision-making of policymakers, businesses, and the American public.

Rationale for Performance Goal

Demographic Statistics:

The Demographic Programs at the Census Bureau provide the data used to allocate over \$180 billion dollars in Federal funds each year (population estimates and projections), analyses underlying the statistical definitions and standards used by the entire Federal Government in policy decisions, and the baseline sample units that underlie virtually every survey conducted in the United States by both private and public sectors.

Demographic Programs develop plans and programs to collect, process, and disseminate information from surveys and censuses on the population and its characteristics, and on the size and characteristics of the housing inventory. Official population estimates and projections for the Nation are prepared, and reports on socioeconomic, demographic, and housing topics are published. Also, analytical research is undertaken on emerging issues and trends, such as the condition of children and the elderly, the employment of disabled individuals, and the characteristics of immigrants.

Directing and coordinating technical and developmental work on the collection and analysis of data by race, Hispanic origin, and ancestry are major responsibilities. This work results in reports on the characteristics of special population groups, and for American Indian and Alaska Native areas. An important aspect is examining reporting issues, such as error or bias in these data.

Official statistics on income and poverty—as well as longitudinal data on income and program participation that Federal agencies use to develop, modify, and monitor transfer programs— come from Demographic Programs. Especially important are data necessary to determine the impact of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, often called “welfare reform.”

Demographic Programs conduct much of the foundational analysis and research underlying the U.S. Office of Management and Budget’s (OMB’s) decisions on national statistical standards on topics such as occupational classifications, metropolitan areas, and race and ethnicity.

The Demographic Program also plans and conducts surveys and special censuses, funded by other Federal agencies, that focus on topics of national importance, such as unemployment, crime, health, education, and consumer expenditures. Decennial Census data is also processed, analyzed and disseminated.

Economic Statistics:

The Census Bureau’s Economic Statistics program is responsible for statistical programs that count and profile U.S. businesses and government organizations in a rapidly evolving economic environment. This includes conducting an Economic Census and a Census of Governments every 5 years; more than 100 separate surveys taken monthly, quarterly, and annually, including principal economic indicators; voluminous merchandise export and import statistics produced monthly; extensive compilations of administrative records; and numerous research and technical studies.

In addition, the Economic Statistics program conducts a number of surveys under reimbursable agreements with other Federal agencies such as the Bureau of Justice Statistics, the National Center for Education Statistics, the Bureau of Transportation Statistics, the Federal Reserve Board, the Environmental Protection Agency, the Agency for Health Care Research and Quality, the Department of Energy, and the Department of Housing and Urban Development.

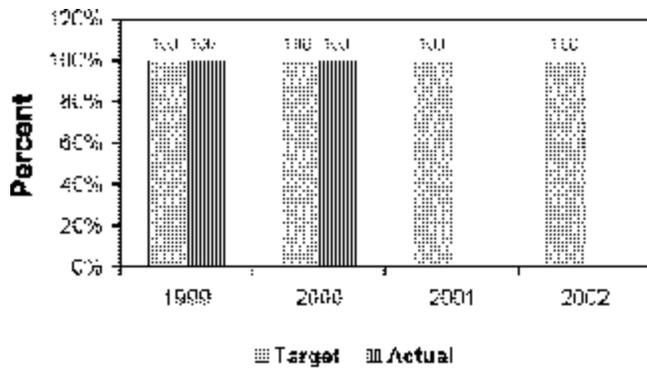
- The major activities of the Economic Statistics program include: providing statistics that are critical to understanding current conditions in our economy, including principal Federal economic indicators,
- Producing economic statistics that provide 75 percent of the source data used in preparing Gross Domestic Product (GDP) estimates, one of the Nation’s most important barometers of current economic activity.
- Conducting an Economic Census and a Census of Governments every 5 years, collecting data for years ending in “2” and “7.” The Economic Census covers all nonagricultural sectors of the economy; publishes data on the activities of more than 22 million businesses and more than 1,100 industries; and provides detailed geographic information.

As a complement to the sectoral Economic Census program components, the Census Bureau also conducts a series of related programs to collect information on topics of special interest—for example, minority and women-owned businesses, the characteristics of the Nation’s trucking fleet, business expenses, the flow of commodities, and the economies of Puerto Rico, Guam, the Virgin Islands, and the Northern Mariana Islands. The Census of Governments provides detailed information on the activities, employment, and finances of 91,000 government entities.

- Providing information on the labor, capital, and material inputs to, as well as the outputs of, the Nation’s manufacturing, mining, and construction industries.
- Conducting company-based surveys for the collection of financial data, including data on capital investment, income, payroll, assets, and expenditures.
- Collecting, processing, and compiling statistical data relating to U.S. merchandise trade (exports, imports, and transportation) with foreign countries and U.S. possessions. Detailed trade information is available on both a monthly and annual basis for 17,000 import commodities and 10,000 export commodities.
- Conducting annual sample surveys of State and local government finances and employment, and producing quarterly measures of taxes and government assets.
- Conducting surveys for other government agencies related to Federal, State, and local government activities,
- Undertaking reimbursable activities (surveys and special tabulations) that take advantage of the Economic Program’s processing infrastructure and core competencies.

Measure 1a: Percentage of household surveys attaining specified reliability measurements

	FY 1999	FY 2000	FY 2001	FY 2002
Target	100%	100%	100%	100%
Actual	100%	100%		
Met/Not Met	Met	Met		



Data Validation and Verification:

Data source: Performance measure data on reliability are collected, calculated, and assessed as the surveys are tabulated.

Frequency: Performance measures are available at the time of a survey’s public data release.

Data storage: Survey performance data are in Census Bureau databases and are published in public press releases and data reports (Source and Reliability Statements in every release).

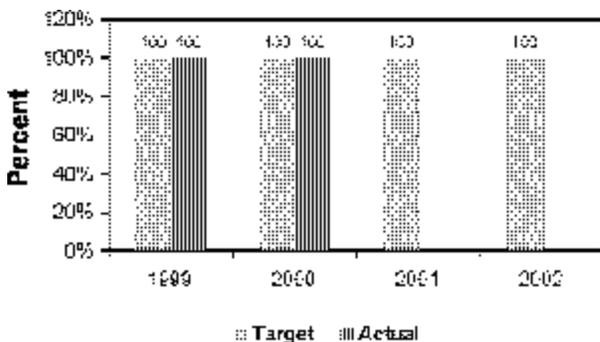
Verification: The Bureau publicly reports methodological standards for its surveys. The survey data tabulations are compared to these standards to verify that the specified reliability measurements are attained.

Explanation of Measure

Reliability measurements are fundamental to the success and customer acceptance of Bureau survey information. These measurements consist of a series of statistical measurements that define the precision of a survey—e.g., standard error, coefficient of variation, and sample design effect. The customer and the Census Bureau jointly determine reliability specifications before the survey is commissioned. The FY 2000 performance level for this measure was achieved. There were no impacts on the FY 2001 Performance Plan or changes for the FY 2002 Performance Plan.

Measure 1b: Percentage of household surveys with initial response rates >90%

	FY 1999	FY 2000	FY 2001	FY 2002
Target	100%	100%	100%	100%
Actual	100%	100%		
Met/Not Met	Met	Met		



Data Validation and Verification:

Data source: Response rates are monitored as the responses are collected in the field.

Frequency: Performance measures are available at the time of a survey’s public data release.

Data storage: Survey performance data are in Census Bureau databases and are published in public press releases and data reports (Source and Reliability Statements in every release).

Verification: The Bureau publicly reports methodological standards including response rates for its surveys. The survey data tabulations are compared to these standards to verify that the specified reliability measurements are attained.

Explanation of Measure

Maintaining an initial 90 percent or better response rate for household surveys ensures that the Bureau’s survey information is continuously reliable, comparable, and widely accepted by customers over the longer term.

Some household surveys are designed to follow respondents when they move to new locations. These “longitudinal design” surveys typically have response rates that decline below the 90 percent initial rate over

time. The lower rates are reported when data are released. This measure excludes household expenditure surveys.

The FY 2000 performance level for this measure was achieved. There were no impacts on the FY 2001 Performance Plan or changes for the FY 2002 Annual Performance Plan.

Measure 1c: Percentage reduction from time of data collection to data release for selected household surveys

	FY 1999	FY 2000	FY 2001	FY 2002
Target	5% time decrease	Maintain FY 1999 actual time achieved	Maintain FY 1999 actual time achieved	Maintain FY 1999 actual time achieved
Actual	9% time decrease	Maintain FY 1999 actual time achieved		
Met/Not Met	Met	Met		

Data Validation and Verification:

Data source: Data collection dates are published in advance. These set the baseline for release dates.
Frequency: As scheduled
Data storage: Census Bureau databases and public data releases
Verification: By comparison with past release dates. Official responses to customers will verify customer satisfaction.

Explanation of Measure

Many long-standing household surveys have reached optimal release times, e.g., the monthly Current Population and Housing Vacancy Surveys. This measure addresses newer surveys and survey supplements, such as the Survey of Income and Program Participation and the Survey of Program Dynamics. The FY 1999 performance target was to decrease the time by 5 percent. The Bureau exceeded that target, reducing the time by 9 percent. The FY 2000 performance level to maintain the FY 1999 achieved level was met.

Measure 1d: Percentage of principal economic indicators released as scheduled

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	100% on time
Actual				
Met/Not Met				

Data Validation and Verification:

Data source: A monthly schedule of data release dates is published annually in advance on the Census Bureau’s Web site. This sets the performance baseline.
Frequency: As scheduled.
Data storage: Census Bureau databases and public data releases
Verification: By comparison with actual release dates

Explanation of Measure

This is a new, specific performance measure for FY 2002. The Census Bureau provides statistics that are critical to understanding current conditions in our economy. These statistics include the principal Federal economic indicators, which drive national monetary policy, Federal economic policy making and investment, and business decisions. These principal economic indicators include: the Advance Retail Sales; Manufacturing and Trade: Inventories and Sales; Wholesale Trade; Advanced Report on Durable Goods, Manufacturers' Shipments and Orders; Manufacturers' Shipments, Inventories, and Orders; Construction Put in Place; Quarterly Financial Report (QFR): Manufacturing, Mining and Wholesale Trade; Housing Starts and Building Permits/New residential Construction; New One-Family Houses Sold and For Sale; QFR Retail; Housing Vacancies; and the U.S. International Trade in Goods and Services), jointly released with the Bureau of Economic Analysis (BEA). Previously, the U.S. International Trade in Goods and Services, measure was reported in BEA's Annual Performance Plan and Annual Performance Report with reference to the Census Bureau's data collection and processing responsibilities.

FY 2000 Program Evaluations for Census Performance Goal 1: Develop relevant, accurate, and timely national and community economic and household statistics for decision-making

The Bureau's statistical program evaluations are numerous and ongoing. Some FY 2000 examples include:

Demographic Statistics:

- Quality profiles and project management reports were regularly generated for both reimbursable and Bureau-sponsored demographic surveys. These profiles and reports provide statistical measures of reliability and note compliance with/accomplishment of project tasks.
- The U.S. Department of Education (DoEd) sponsored an external review, by the National Academy of Sciences, of the Small-Area Income and Poverty Estimates program (SAIPE). Additionally, the Census Bureau has an external contract for future evaluation of the statistical aspects of SAIPE.
- In coming years, the past decade's population estimates will be compared (by both internal Bureau staff and representatives of State administrative records organizations) against data from Census 2000 to assess the quality of past estimates and identify ways to improve the program.

Economic Statistics:

- Every 3 years, as required by Statistical Policy Directive No. 3, the Census Bureau prepares a report for the Office of Management and Budget (OMB) on the compilation, release, and evaluation of the 12 principal Federal economic indicators that the Bureau produces.
- We continue to investigate and evaluate differences in reported capital expenditures in the Annual Survey of Manufacturers (ASM) and Annual Capital Expenditure Survey (ACES).
- We assessed the quality of the newly reinstated Pollution Abatement Cost Expenditure Survey Evaluation.
- We analyzed and evaluated data collected in our new e-business measurement program.

Discontinued Measures

Qualitative customer evaluations

	FY 1999	FY 2000	FY 2001	FY 2002
Target	N/A	N/A	Discontinued	Discontinued
Actual				
Met/Not Met				

Explanation:

The FY 2000 actual was not calculated due to this undeveloped measure being dropped in favor of adding two Census 2000 new measures placing greater emphasis on Census 2000 while containing the number of performance measures Department-wide.

Summary Actions Related to Performance Goal 1

Action Plan

Strategies – Demographic Statistics	Activities
Investigate the use of incentives to respond	Develop innovative measures to reduce non-response
Sample households nationwide to develop improved methods	Test alternative questionnaire designs to improve response rate
Participate in new employee “goal sharing” to determine better performance incentives for field interviewer staff	Improve interviewing skills to increase response
Provide data in easily accessible forms, focusing on the Internet for immediate user access	Improve data accessibility Web-based applications such as American FactFinder
Increase value to respondents	Distribute “give-back” information brochures about local communities
Determine ways to reduce report preparation and review process	Implement recommendations of report review process team
Study post collection process to determine how to release data earlier	Extend the results of the post collection process improvement for Current Population Survey supplements and the American Housing Survey to other surveys
Strategies - Economic Statistics	Activities
Improve relevance and usefulness of economic statistics	<ul style="list-style-type: none"> • Provide first official measures of electronic commerce; understand the effect of e-business processes on our programs and measures • Develop and implement industry and product classification systems that reflect the 21st-century economy • Provide measures that profile and describe the New Economy. • Improve the usefulness of economic statistics by making Census data more accessible and easier to use

Cross-Cutting Activities

Intra-DOC

The Bureau works closely with other statistical agencies, in particular the *Bureau of Economic Analysis (BEA)* and *Bureau of Labor Statistics (BLS)*. BEA is a primary customer for the Census Bureau's economic data, and the BLS shares costs for the Bureau's major annual Current Population Survey.

The Census Bureau is working with MBDA to increase the frequency of the survey of minority-owned business enterprises to provide more timely information about one of the fastest growing consumer segments of the U.S. economy.

The Census Bureau is working with ITA to produce customized statistics on exported services. ITA will fund the production of these statistics.

Other Government Agencies

Interagency Council on Statistical Policy (ICSP). Under the auspices of OMB, the Census Bureau is a major participant in this council, which works to improve collaborative activities of Federal statistical agencies. Activities of the Council have led to standardized data and concepts, technology transfers, methodology exchange, collaborative research, process improvement, better customer service, reduced respondent burden, and infrastructure sharing.

An interagency Team on Performance Measurement and Reporting was established by the ICSP in 1999 to review the performance plans of the statistical agencies and to recommend common approaches. The team has prepared a report that discusses performance indicators for statistical agencies and presents guidelines for a common approach to reporting performance.

The State Data Center (SDC) program is one of the Census Bureau's longest and most successful partnerships. This cooperative program between the States and the Census Bureau was created in 1978 to make data available locally to the public through a network of State agencies, universities, libraries, and regional and local governments. The Business and Industry Data Center Program (BIDC) was added in 1988 to meet the needs of local business communities for economic data. SDC lead organizations are appointed by State Governors.

Additionally, the Bureau of the Census participates in numerous non-statistical Federal agency activities, such as being a data supplier, a survey collection resource, and an advisory and research resource.

Government/Private Sector

International/Private Sector: The International Programs Center (IPC), part of the Census Bureau's Population Division, conducts demographic and socioeconomic studies and strengthens statistical development around the world through technical assistance, training, and software products. Its work is commissioned and funded by Federal agencies, international organizations, non-governmental organizations, private businesses, and other governments. For over 50 years, IPC has assisted in the collection, processing, analysis, dissemination, and use of statistics with counterpart governments throughout the world.

External Factors and Mitigation Strategies

There is a growing negative public perception of both government and non-government intrusion into personal and business information privacy. This affects the response to surveys and censuses and is the most significant factor affecting the future goals, objectives, and Performance Plans of the Census Bureau.

One major mitigation strategy for this problem is to continuously inform the public of our privacy and confidentiality policies for all Bureau activities. This involves publishing our policy statements via the Census Bureau's Web site and other information activities. The Web site indicates the Bureau's privacy policy in these areas:

- Web site visitor activities,
- purchasers of Census Bureau products over the Internet ,
- the privacy for respondents to surveys and censuses over the Internet,
- document accessibility and links to third-party sites via the Internet, and
- the Bureau's confidentiality policy, which describes how the agency protects individual or business establishment confidentiality and the penalties for wrongful disclosure of Bureau information.

Another major mitigation strategy is to continue our partnership and community outreach program begun during Census 2000. This program helped raise the census response rate by enlisting the help of over 144,000 partners in the public and private sector.

Performance Goal 2: Conduct the Decennial Census (FY 2000, FY 2001, and FY 2002)

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Objective 1.3: Support the effective decision-making of policymakers, businesses, and the American public.

Rationale for Performance Goal

The Bureau's FY 2001 Performance Plan goal 2, "Conduct Decennial Census," focused on FY 2001 major milestones for Census 2000:

- delivering apportionment population counts to the U.S. President by December 31, 2000 and
- delivering redistricting counts to all States by April 1, 2001. By FY 2002, although these most work intensive Census 2000 activities are expected to be finished, Census 2000 will not be complete. The Census Bureau still needs to process, tabulate, and disseminate to the public the detailed results from Census 2000. The Annual Performance Plan for FY 2002 reflects this shift from data collection and processing activities to data dissemination of short- and long-form data products.

Measure 2a: Disseminate Census 2000 products

	FY 1999	FY 2000	FY 2001	FY 2002
Target	N/A	N/A	100% of scheduled releases	100% of scheduled releases
Actual				
Met/Not Met				

Data Validation and Verification:

Data source: Data dissemination is scheduled. These set the baseline for release dates

Frequency: As scheduled

Data storage: American FactFinder

Verification: By comparison with actual release dates. Official responses to customers will verify customer satisfaction.

Explanation of Measure

Providing releases of Census 2000 products on schedule is critical to the institutions and individuals responsible for managing or evaluating Federal programs. These releases are also needed to meet legal requirements stemming from U.S. court decisions, such as the Voting Rights Act. The data collected and released are as much a part of our Nation's infrastructure as highways and telephone lines. Federal dollars supporting schools, employment services, housing assistance, highway construction, hospital services, programs for the elderly, and more are distributed based on Census data. For example, 22 of the 25 largest Federal funding grant programs in fiscal year 1998 were responsible for \$162 billion being distributed to State, local, and tribal governments. About half of this money was distributed using formulas involving Census population data, according to the General

Accounting Office. We expect that at least \$182 billion and housing will be distributed annually based on formulas using Census 2000 data.

This is a wording consistency and clarification change from the FY 2000 Performance Plan: “Meet all Census 2000 published data release milestones on time.” This wording now matches the wording in the Department’s new FY 2000 — FY 2005 Strategic plan. This revised statement represents the same commitment to releasing Census 2000 products as is stated in the FY 2000 Performance Plan. The scheduled released dates are available on the Census Bureau’s Internet site.

FY 2000 Program Evaluation for Census Performance Goal 2: Conduct the Decennial Census (FY 2000, FY 2001, and FY 2002)

During FY 2000, the Census Bureau developed a Census 2000 Evaluation Program to measure the effectiveness, cost, and impact on data quality of the Census 2000 design, operations, systems, and processes. This effort informs data users and stakeholders about data quality and limitations, providing information needed for historical comparability of Census methods and procedures. The Evaluation Program will help guide post-2000 research and testing for the 2010 Census, offering useful information for the American Community Survey and other census surveys and operations.

During FY 2000-2003, the Census Bureau will conduct 145 objective evaluations covering the full scope of Census 2000 and the Census 2000 Accuracy and Coverage Evaluation (ACE). It will also complete six major experiments conducted during Census 2000.

Discontinued Measures

Measures: Produce apportionment counts using traditional Census-taking methods and Adjust net population counts using the Accuracy and Coverage Evaluation in all States.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	N/A	N/A	100 % on time	Discontinued
Actual				
Met/Not Met				

Data Validation and Verification:

Data collection: The Census Bureau will use exhaustive traditional Census-taking methods to produce the most accurate apportionment counts possible by December 31, 2000. The Census Bureau will then conduct an Accuracy and Coverage Evaluation (ACE) Survey at the conclusion of the first phase of the Census. People counted in the ACE will be compared with those enumerated in the Census. After the matching is completed, a field interview will reconcile the selected cases. Following that, the Bureau will use modern statistical methods to produce more accurate Census counts statistically corrected numbers ready by April 1, 2001, and plans to make the more accurate Census counts available in a form that allows states to use them for redistricting purposes. The more accurate counts can also be used to determine the allocation of Federal funds, and for ongoing statistical and programmatic purposes.

Frequency: The measures will be obtained when legally mandated data are released on schedule.

Data storage: Internal Census databases

Verification: The Bureau will adhere to a statistical methodology that is well documented and reported publicly.

Explanation of Measure

These are critical, historically fundamental performance measures for the Census Bureau. Title 13, U.S. Code, requires that the apportionment population counts be delivered to the President of the United States within 9 months of the Census date. In Census 2000 and most 20th-century censuses, that date has been April 1, meaning that the Office of the President received the counts by December 31 of each Census year.

According to Title 2, U.S. Code, within 1 week of the opening of the next session of the Congress, the President must report to the Clerk of the House of Representatives the apportionment population counts for each State and the number of representatives to which each State is entitled. Also according to Title 2, U.S. Code, within 15 days, the Clerk of the House must inform each State Governor of the number of representatives to which each State is entitled. The legislatures in each State are responsible for geographically defining the boundaries of their congressional and other election districts — a process known as redistricting; more detailed Census results are used for these purposes.

These two measures were newly established in the FY 2001 Annual Performance Plan to place greater emphasis on Census 2000. They are one-time reportable measures for FY 2001; FY 2000 performance measures have no effect on them.

Decennial - Net Population Undercount

	FY 1999	FY 2000	FY 2001	FY 2002
Target	N/A	.1%	Discontinued	Discontinued
Actual				
Met/Not Met				

Explanation:

This measure was established in the FY 2000 Annual Performance Plan and was predicated on the Bureau's use of a new census taking design which included non-response follow-up sampling. After this measure was published, the Supreme Court ruled against the use of non-response follow-up sampling in Census 2000 and the Bureau subsequently proceeded with a traditional census taking design. Therefore, an FY 2000 actual net population undercount percentage, based on the original sampling design, could not be calculated. This measure was discontinued in the FY 2001 Performance Plan. The Bureau replaced this measure with two more suitable Census 2000 measures: Produce Apportionment Counts, using traditional census-taking measures, and Adjust Net Population Undercounts, using the Accuracy and Coverage Evaluation in all States.

Qualitative independent evaluations

	FY 1999	FY 2000	FY 2001	FY 2002
Target	N/A	N/A	Discontinued	Discontinued
Actual				
Met/Not Met				

Explanation:

The FY 2000 actual was not calculated due to this undeveloped measure being dropped in favor of adding new measures to place greater emphasis on Census 2000 while containing the number of performance measures Department-wide.

Summary Actions Related to Performance Goal 2**Action Plan**

Strategies – Demographic Statistics	Activities
Produce useful long-form and geographic data products for users	Process, tabulate and disseminate detailed long-form and geographic data and organize into formats to produce data products
Continue disseminating short-form data and associated data products to meet data user needs	Disseminate to data users primarily via the on-line American FactFinder System
Afford State, local and tribal governments the opportunity to evaluate and challenge geographic allocations of Census counts as well as the geographic boundaries used by the Bureau	Conduct the Count Question Resolution (CQR) Program
Support State redistricting efforts	Provide technical assistance to States

Cross-Cutting Activities**Intra-DOC**

None

Government/Private Sector

The Partnership and Data Services Program reflects the Census Bureau's commitment to continuing and expanding upon more than 144,000 organizational partnerships established during Census 2000. It is an innovative and aggressive data dissemination program that reaches virtually every segment of the American population. The program provides data information services and products and continuing contact with Census 2000 partners. It actively engages in providing data workshops, seminars, and site visits with State, local, and tribal governments, community-based organizations, small businesses, rural community groups, inner-city neighborhood associations, media organizations, national affiliates, and faith-based organizations.

External Factors and Mitigation Strategies

The growing negative public perception of both government and non-government intrusion into personal and business information privacy was reflected in the declining mail-response rates in two successive Decennial Censuses (1980 and 1990).

To overcome the declining response trend, an integrated marketing plan was implemented for Census 2000. It consisted of a massive partnership effort, a first-time paid advertising campaign, a redesigned Census

questionnaire, an advance letter, and a follow-up postcard. Various promotional activities included Census in Schools and the Road Tour full media services to support press coverage of Census activities. With common messages and themes, these programs worked together to persuade and motivate respondents. Local governments and other Census partners used promotional tools to customize their outreach materials while maintaining the Census Bureau's messages and themes

**Performance Goal 3:
Define—through consultations, policy assessment, planning, research,
experiments, and evaluations—the plan for the 2010 Census**

Corresponding DOC Strategic Goal, Objective, and Strategy

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Objective 1.3: Support the effective decision-making of policymakers, businesses, and the American public.

Rationale for Performance Goal

This is a new performance Goal for FY 2002. Our early planning efforts for the 2010 Census are not predicated upon 1990 or Census 2000 efforts, but rather upon a major reengineering of Census 2000, exploring opportunities for innovations and taking advantage of new technologies that will allow us to contain costs and improve accuracy. The strategy for the next decade is to have a more systematic, integrated, building-block approach for decennial and demographic data collection. This approach has three major components: 1. a simplified 2010 Census and more timely data, based on eliminating the long form through implementation of the American Community Survey, 2. a single, continuously updated address list and associated geographical products for use in all decennial and demographic programs, and 3. a well-tested and planned 2010 Census design, produced through systematic development prior to mid-decade operational testing— achieving the performance measure commitment in the Department of Commerce FY 2000-FY 2005 Strategic Plan and a plan for operational testing of a 2010 approach by 2005.

Measure 3a: Percentage completion of housing unit address list.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	Prepare plan and systems by end of FY 2002 to measure housing unit coverage of the address list. List is at least as complete as it was for Census 2000, as measured by the Accuracy and Coverage
Actual				
Met/Not Met				

Data Validation and Verification:

Data source: A comparison of the Accuracy and Coverage Evaluation with the Bureau’s Master Address File.
Frequency: September 2002
Data storage: The Bureau’s Master Address File
Verification: By comparison of FY 2002 address list to Census 2000 address list

Explanation of Measure

This is a new performance measure for FY 2002. A complete and accurate address list is the “heart” of a complete and accurate Decennial Census and the Census Bureau’s monthly household surveys, especially major new ones such as the American Community Survey. The address list is the “heart” because the Decennial Census and each household survey then uses various data collection techniques to count the number of occupants of each address, and to gather demographic characteristics about them, as they existed on “Census Day” or on the date of the monthly survey. More than a million new houses and apartments are built every year, and new neighborhoods are created nationwide. This requires the Bureau to constantly update the list, to prevent a large decline in the accuracy of the census and survey programs it supports.

In addition to having a complete list of addresses, each address must be assigned to the correct Census block. The resulting statistical data about the occupants of each address, aggregated by Census block, make up the single most sought-after product of the Census Bureau. These data feed the Congressional and State legislative redistricting processes that take place in each State following the Decennial Census.

Measure 3b: Release 2001 data from LFTDB.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	Complete field activities supporting the release of 2001 data from LFTDB in July 2002
Actual				
Met/Not Met				

Data Validation and Verification:

Data source: Performance data collected as field collection progresses
Frequency: Completed by July 2002
Data storage: Long-Form Transitional Data Base
Verification: By comparison to completion targets established in field collection plan

Explanation of Measure

This is a new performance measure for FY 2002. The Census Long-Form Transitional Database (LFTDB) is the key to replacing the Census long form with the American Community Survey (ACS). As part of the Decennial Census operations in FY 2000 and FY 2001, we have been conducting the LFTDB evaluation study. The FY 2002 plan for the LFTDB is a critical part of the transition to using data from the ACS as a national program

beginning in FY 2003 (a performance measurement commitment in the Department of Commerce FY 2000 — FY 2005 Strategic Plan). When the ACS becomes a comprehensive national program, community profiles will be available every year rather than every 10 years. These vastly improved data will enable the U.S. Government to distribute billions of dollars much more efficiently and to more effectively evaluate Federal programs.

FY 2000 Program Evaluation for Census Performance Goal 3: Define— through consultations, planning assessment, policy, research, experiments, and evaluations—the plan for the 2010 Census.

Not applicable. This is a new performance goal that starts in FY 2002.

Discontinued Measures

None

Summary Actions Related to Performance Goal 3

Action Plan

Strategies	Activities
Ensure a continued complete and accurate address list for Censuses and surveys	<ul style="list-style-type: none"> • Correctly align addresses and features with Global Positioning System coordinates. • Develop replacement geography systems software • Extend and expand geographic partnership programs. • Implement a periodic geographic/address list evaluation program.
Complete all address updating systems and field activities for the LFTDB the implementation of the ACS in 2003, and future uses by decennial and demographic programs.	<ul style="list-style-type: none"> • Complete development and implementation of address updating systems. • Add or correct 23,000 addresses during FY 2002.

Cross-Cutting Activities

Intra-DOC

None

Other Government Agencies:

Because the current Federal statistical system is decentralized, surveys are conducted independently of one another. Each one must collect the same core data: number of occupied units, number of people, and the general characteristics of people. After these core data are collected, each survey focuses on its specific needs. The American Community Survey can offer better estimates of these cross-cutting core data as well as provide a vehicle for collecting some specific survey data, thereby reducing this duplication.

State and local governments are becoming more involved in administering and evaluating programs traditionally controlled by the Federal Government. This devolution of responsibility is often accompanied by Federal funding through block grants. The data collected via the American Community Survey will be useful not only to the Federal agencies but also to State, local, and tribal governments in planning, administering, and evaluating programs.

External Factors and Mitigation Strategies

The Census Bureau does not believe it can replicate the success of Census 2000 in 2010 using the same design of 1970 —2000, which has outlived its utility. If it is not redesigned, the 2010 Census will be even more costly than Census 2000 and subject to the risk of operational failure. A key component of the redesign is to separate the collection of long form sample data from the census.

Data users have asked for timely data that provide consistent measures for all areas. Decennial sample data are out of date soon after they are published, about 2 years after the Census is taken. Their usefulness declines every year thereafter. Yet billions of government and business dollars are divided among jurisdictions and population groups each year, based on their social and economic profiles in the Decennial Census.

The American Community Survey is a new approach for collecting accurate, timely information needed for critical government functions. This new approach provides accurate, up-to-date profiles of America's communities every year. Community leaders and other data users will have timely information for planning and evaluating public programs for everyone, from newborns to the elderly. The American Community Survey is a way to provide the data that communities need every year instead of once in 10 years. It is an ongoing survey that the Census Bureau plans to use to replace the long form in the 2010 Census.



International Trade Administration

Mission Statement

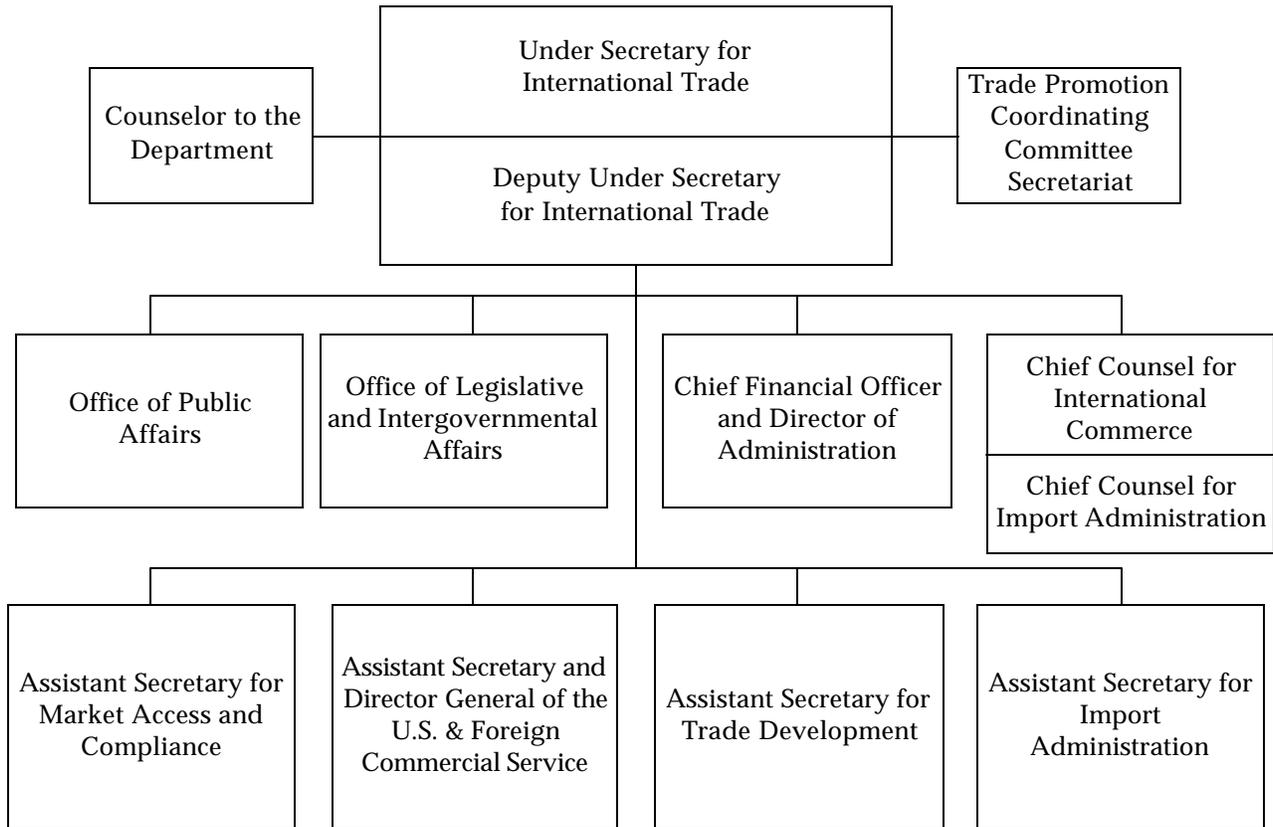
To create economic opportunity for U.S. workers and firms by promoting international trade, opening foreign markets, ensuring compliance with our trade laws and agreements, and supporting U.S. commercial interests at home and abroad.

The Department of Commerce's International Trade Administration (ITA) works within the Federal Government to build the American economy by promoting U.S. foreign trade. ITA supports the business community by helping U.S. companies to export, partnering with industry, opening markets, and leveling the playing field for the international exchange of goods and services.

ITA's four operational areas span both exports and imports, enabling ITA to serve as a complete source of international trade information and assistance for businesses. ITA's Trade Information Center, Trade Compliance Center, Advocacy Center, and more than 100 Export Assistance Centers and overseas posts provide critical information to businesses to help in their export trade activities. ITA also plays a significant role in ensuring fair competition by combating dumping and subsidy of imports.

In addition to maintaining a close relationship with U.S. businesses, ITA works with other Government agencies and multilateral organizations to formulate trade policies and monitor market access and compliance with U.S. international trade agreements. These organizations include the Department of State, the Department of Treasury, the U.S. International Trade Commission, and the U.S. Trade Representative, as well as the World Trade Organization, the Organization of Economic Cooperation and Development, and the United Nations.

Organizational Structure



Priorities

ITA's priorities are derived directly from departmental priorities, which are linked directly to the growth of the economy and quality of life of all Americans. These priorities guide the development of ITA program initiatives listed below:

Create More Effective Customer Relationships and Awareness —This activity is directed at elevating communications and outreach, determining appropriate ITA brand/identity, deepening customer insight/research, and rationalizing customer points of contact.

Fundamentally Redesign ITA's Role in Market Access and Export Promotion—This activity is aimed at (1) concentrating market access efforts on key market opportunities and follow-up with targeted promotion plans, (2) developing targeted commercial infrastructure initiatives on emerging markets to better position U.S. firms, (3) developing new and innovative export promotion tools, and (4) establishing effective leadership in the coordination of Government-wide export promotion activities.

Leveraging E-Commerce on Product Development and Service Delivery—This activity is designed to (1) develop new matchmaking tools, (2) virtualize information delivery and knowledge management, and (3) create a rapid product development process.

Develop Proactive Compliance Capability—This activity is fixed on (1) increasing research and monitoring capacity, (2) developing targeted outreach to build awareness and develop clear points of contact for exposed companies, and (3) developing a “rapid-strike force” to quickly act upon noncompliance.

Increase Private-sector Alliances—The purpose of this activity is to improve partnerships, develop new venture relationships, and establish outsourcing arrangements.

Management Challenges

ITA faces a number of key management challenges/problems:

- **Improve Financial Management Effectiveness**

An assessment of our financial management structure indicated the need to improve our capabilities in that area. To address this problem, ITA will strengthen budgeting and accounting, enhance financial analysis and reporting, and improve resource management.

- **Position Human Capital as a Strategic Asset**

Like all Federal agencies, ITA faces significant human resources problems, not the least of which is that one-third of our employees are projected to retire in 5 years. We recently completed an employee survey, which identified several issues that we need to address. Specifically, we will (1) develop clear and flexible career paths, and focus on career development and retention, (2) develop an ITA-wide job rotation program, (3) improve employee satisfaction, (4) increase diversity recruiting, and (5) decrease the time it takes to fill vacancies.

- **Establish Client-Focused, Mission-Driven IT Management**

A review of our information technology environment revealed that we have a disjointed system of IT management. To remedy this situation, ITA is required to (1) secure a Chief Information Officer (CIO) and build a CIO organization, (2) establish ITA-wide IT management, and (3) leverage e-commerce.

- **Optimize Organizational Flexibility and Management Capabilities**

In view of the challenges identified above, ITA will deploy resources rapidly in response to shifting demands and will aim to develop excellent management and managers.

During FY 2000, ITA took a number of significant steps toward eliminating weaknesses in management, including:

- **Improve Financial Management Effectiveness**

ITA made significant changes in its financial operations, which resulted in, for the second consecutive year, an unqualified audit opinion of its financial statements. Achieving an unqualified opinion is significant because financial statement audits are a key gauge for measuring ITA’s progress in meeting the goals and objectives of the Chief Financial Officers (CFO) Act.

During FY 2000, ITA made further improvements in its internal controls structure, thereby eliminating two of its three remaining material weaknesses in financial management. The bureau also established an international lockbox service, allowing ITA to make international collections directly through a bank in the U.S.

ITA effectively improved financial management and budget-processing activities by assessing the capabilities, aspirations, and challenges of the CFO organization and implementing recommendations for improvements.

- **Position Human Capital as a Strategic Asset**

Implemented ITA realignment in order to eliminate duplication, sharpen and clarify the focus of the

organization, and adjust the management structure to better reflect ITA priorities and changes in the international trade environment.

- **Establish Client-Focused, Mission-Driven Information Technology (IT) Management**

In FY 2000, ITA launched Export.gov—a web portal, containing all DOC export-related information. Export.gov is organized according to customer needs and intentions, making it easier for visitors to find necessary information even if they have little knowledge of government structure. Currently, Export.gov is being expanded to include all U.S. Federal Government information related to exporting.

- **Improve Program Evaluation Effectiveness**

Completed the Management Control Review of ITA’s performance measures, which assessed the adequacy of those measures, evaluated the verification and validation systems in place, and addressed the similarities and differences in the application of definitions used for performance measure reporting in ITA.

- **Improve Program Planning Effectiveness**

Completed ITA’s FY 2000-2005 Strategic Plan, which defines ITA’s new mission statement, lays out the goals and objectives to achieve that mission, and presents high-level strategies for implementation.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1: Improve American Competitiveness and Access to Foreign Markets by Enforcing						
	FY 1999	Target	FY 1999	Actual	FY 2000	Target
*Number of AD/CVD Cases Processed	141	134	103	185	185	185

	FY 1999	Target	FY 1999	Actual	FY 2000	Target
New-to-Export Firms	25,260	42,351	26,089	33,514	30,336	30,005

Performance Goal 3: Increase U.S. Exports by Implementing the National Export Strategy Through						
	FY 1999	Target	FY 1999	Actual	FY 2000	Target
New-to-Market Firms	45,919	67,835	47,437	54,307	54,779	53,958

	FY 1999	Target	FY 1999	Actual	FY 2000	Target
Number of new subscribers using BuyUSA.com e-services	New	New	New	New	5,000	5,400

* New performance measure. Historical data available and displayed.

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY 2000 Request	FY 2000 Actual	FY 2001 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1						
Total Funding	55.0	59.0	59.0	75.0	73.0	73.0
IT Funding*	3.7	4.4	3.7	4.4	4.4	4.6
FTE	372	391	375	397	392	392
Performance Goal 2						
Total Funding	129.0	124.0	124.0	140.0	140.0	132.0
IT Funding*	8.8	10.4	8.9	10.3	10.3	10.9
FTE	886	928	890	943	931	945
Performance Goal 3						
Total Funding	112.0	110.0	110.0	122.0	123.0	113.0
IT Funding*	7.7	9.0	7.7	9.0	9.0	9.4
FTE	768	806	774	818	808	821
Performance Goal 4						
Total Funding	43.0	41.0	41.0	46.0	46.0	43.0
IT Funding*	3.0	3.5	3.0	3.5	3.5	3.7
FTE	303	318	305	322	318	318
Grand Total:						
Total Funding	339.0	334.0	334.0	383.0	382.0	361.0
Reimbursable**	22.0	29.0	9.0	31.0	31.0	31.0
IT Funding*	23.2	27.3	23.8	27.2	27.2	28.6
FTE	2329	2443	2344	2480	2449	2476

*IT Funding included in Total Funding

** Reimbursable funding included in Total Funding

IT (Information Technology) Requirements: Infrastructure and related mission systems.

Skill Summary:

In-depth knowledge of international and domestic trade laws and regulations, in addition to country/industry-sector expertise; specialized knowledge of and experience in export marketing and promotion, foreign trade practices, and foreign government trade programs and policies.

Structure of Plan:

ITA's FY 2002 Annual Performance Plan (APP) addresses the four strategies we employ to support the Department of Commerce's Objective 1.1, Objective 1.2, and Objective 2.3. For each strategy, we have presented an outcome-oriented performance measure for evaluating the success of our strategy, as well as our contribution to the success of the related departmental objective.

We have formulated two new performance measures for our FY 2002 APP. Specifically:

- We will assess the success of our strategy to “improve American competitiveness and access to foreign markets by enforcing compliance with U.S. trade laws and agreements” with the performance measure “number of antidumping/countervailing duty cases processed.”
- We will evaluate the success of our strategy to “improve U.S. competitive advantage through global e-commerce” with the performance measure “number of new subscribers using BuyUSA.com e-services.”

FY 2002 Performance Goals

Performance Goal 1: Improve American Competitiveness and Access to Foreign Markets by Enforcing Compliance with U.S. Trade Laws and Agreements

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Objective 1.2: Promote responsible economic growth and trade, while protecting American security.

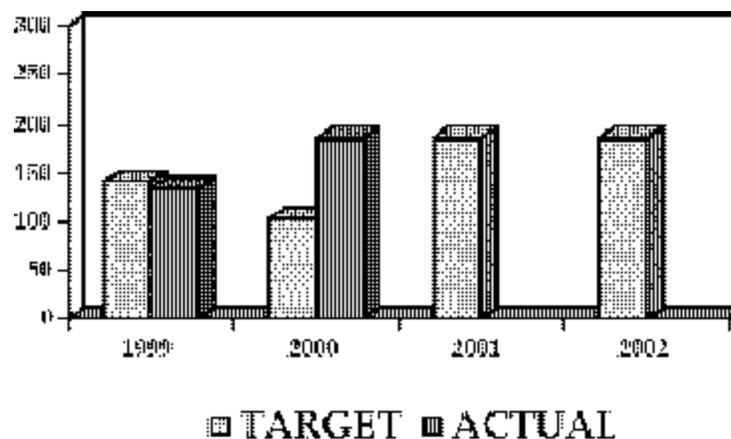
Rationale for Performance Goal

ITA is committed to building a rules-based trading system in which international trade is both free and fair for American firms and workers. As the volume of world trade and investment expands and more countries enter into multilateral and bilateral trade agreements with the U.S., it is necessary to ensure that our trading partners comply with these agreements, and that American business and workers can capitalize fully on the rights and opportunities created by them.

ITA helps ensure compliance with international trade agreements and promotes fair competition by supporting the Office of the U.S. Trade Representative (USTR) in international trade negotiations; strengthening the capability to enforce trade agreements through its Trade Compliance Center; conducting antidumping and countervailing duty trade investigations; and monitoring foreign subsidy practices.

The original FY 2000 performance goal, "Enforce U.S. Trade Laws and Agreements to Promote Free and Fair Trade Laws," was reworded and strengthened to better define ITA's strategic direction and reflect FY 2002 departmental strategic goals and objectives.

Measure 1a: Number of Antidumping (AD)/Countervailing Duty (CVD) Cases Processed



	FY 1999	FY 2000	FY 2001	FY 2002
Target	141	103	185	185
Actual	134	185		
Met/Not Met	Not Met	Met		

Data Validation and Verification:

Data source: American companies defended against injurious trade practices

Frequency: Daily

Data storage: IA's Lotus Notes Case Management System

Verification: Each case is supported by final determinations, including *Federal Register* notices. Lotus Notes software is employed to operate the IA-wide AD/CVD case tracking/management system. ITA's Lotus Notes Case Management System is updated daily, and statistics are available at a moment's notice. Performance data will be monitored and verified internally.

Data limitations: Number of AD/CVD cases processed depends on the number of injurious trade actions taken by foreign governments and/or foreign companies. Workload is totally controlled by the parties who participate in the AD/CVD cases. There is no clear-cut explanation for why in one year versus another year a party would petition for an investigation or request an administrative review.

Explanation of Measure

This is a new performance measure created to more closely align with the FY 2002 departmental strategic goals and objectives. It measures the number of antidumping/countervailing duty cases that ITA completed defending American industry against injurious trade practices, such as imports being unfairly subsidized or sold in the U.S. at less than fair market value. Historical performance measurement data are available and displayed.

Target exceeded. Number of AD/CVD cases processed depends on the number of injurious trade actions taken by foreign governments and/or foreign companies. Workload is totally controlled by the parties who participate in the AD/CVD cases, and not by ITA. There is no clear-cut explanation for why in one year versus another year a party would petition for an investigation or request an administrative review.

NOTE: This new performance measure appears in the FY 2002 APP and more closely aligns with the evolving FY 2002 departmental strategic goals and objectives. The "dollar value of market openings" performance measure was discontinued, since it did not directly relate to ITA's level of success in enforcing existing U.S. trade laws and agreements.

FY 2000 Program Evaluation for ITA Performance Goal 1: Improve American Competitiveness and Access to Foreign markets by Enforcing Compliance with U.S. Trade Laws and Agreements

- GAO (01-243, release date 1/1/2001) reviewed major performance and accountability challenges facing the Department of Commerce. In this report, GAO addressed the Department's ability to monitor and enforce trade agreements. ITA incorporated GAO's findings by establishing clear criteria for the types of agreements to be included in the Trade Compliance Center's database. Findings included some success on ITA's part in helping U.S. businesses gain access to international markets. The report noted that ITA stated that it faced several difficulties in portraying its progress in this effort due, in part, to the reluctance of businesses to share information on their exports and unanticipated changes in the economies of developing countries.

Discontinued Measure: Dollar Value of Market Openings

	FY 1999	FY 2000	FY 2001	FY 2002
Target	0.8B	2.0B	4.1B	Discontinued
Actual	2.4B	4.0B		
Met/Not Met	Met	Met		

Data Validation and Verification:

Data source: U.S. companies benefiting from market access sessions

Frequency: Annually, by fiscal year

Data storage: Trade Compliance Center (TCC) will store and publish data

Verification: Each case handled by Market Access and Compliance is supported by varying degrees of economic analysis. The data in these analyses are usually projections of potential growth in the U.S. share of the foreign market for both the company involved and for U.S. industry as a whole. Collaboration with the Commercial Service and the industry specialists in Trade Development is critical in the market analysis and serves as a “double check” on the data. Data from each case are maintained by both the country/regional desk and the TCC.

Data Limitations: The data in these cases are usually estimates of future growth, a number of factors, including global trade trends and political developments would impact the actuals.

Explanation of Measure

The “dollar value of market openings” performance measure was discontinued, since it did not directly relate to ITA’s level of success in enforcing existing U.S. trade laws and agreements. In addition, criticism of this measure was voiced by GAO and congressional reviewers. Trade agreements are intended to guarantee the opportunity for U.S. firms to engage in free and fair trade but do not necessarily lead to export sales for U.S. firms.

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
<p>ITA concentrates on instituting careful monitoring of U.S. bilateral and multilateral trade agreements and constant education of the business community on its rights under existing trade laws.</p>	<ul style="list-style-type: none"> • In support of monitoring, ITA will continue to attend bilateral and multilateral meetings, negotiations, and consultations and will address all relevant disputes. In support of efforts to educate, ITA will continue to counsel clients on how to receive the full benefits of existing trade agreements. • ITA will also solicit feedback from private-sector members of the 22 industry-sector advisory committees it co-chairs with USTR.
<p>ITA's strategy focuses on the effective administration of the U.S. Antidumping (AD) and Countervailing Duty (CVD) laws (Tariff Act of 1930, as amended) and agreements negotiated to address sector-specific trade distorting practices.</p>	<p>Pursuant to the Tariff Act of 1930, as amended, ITA conducts the following AD/CVD case activities: investigations, administrative reviews, sunset reviews, and suspension agreements. In further support of this strategy, ITA has implemented, and will continue to support, the following measures to enhance AD/CVD program effectiveness: monitoring of significant import surges, expediting investigations under certain circumstances and enhanced subsidy enforcement activities.</p>
<p>Support regional trade initiatives (the Africa Growth and Opportunity Act, the Caribbean Basin Initiative, Peace in the Middle East) and bilateral and multilateral negotiations in such forums as Organization for Economic Cooperation and Development (OECD), World Trade Organization (WTO), Asia Pacific Economic Cooperation (APEC), and Codex Alimentarius.</p>	<ul style="list-style-type: none"> • Expand ITA's analytical infrastructure to support timely and accurate assessments of (1) the impact on U.S. industries of the growth of regional trade pacts (e.g., EU-Mexico, EU-Mercosur), (2) the impact of major competitors exporting their discriminatory technical regulations to third markets in the developing world. • Develop strategies to support bilateral and multilateral trade negotiations that prevent the adoption of discriminatory international standards and regulations against U.S. products. • Work closely with foreign governments and regulatory officials in the developing world to devise strategies that will address regulatory barriers, head off potentially harmful regulations, and help shape good regulations and standards.

Cross-Cutting Activities

Intra-DOC

- *Office of General Counsel:* Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *U.S. Trade Representative (USTR):* ITA works with the USTR to develop strategies for solving market access disputes and participates with USTR in major trade negotiations. The agency works closely with U.S.

industry and USTR to analyze potential subsidy practices that might violate the subsidies agreement of the Uruguay Round Agreement Act of 1994 (URAA) and cause harm to U.S. industry. ITA also supports trade policy initiatives initiated by USTR, frequently providing the bulk of the analysis, expertise, and staff support needed to achieve negotiating objectives.

- *International Trade Commission*: In an antidumping (AD) or countervailing duty (CVD) case, ITA conducts the AD/CVD investigation and ITC concurrently conducts the industry injury investigation. If both ITA's and ITC's investigations result in affirmative determinations, then ITA issues an AD/CVD order to the U.S. Customs Service; this results in a tariff rate adjustment.
- *U.S. Customs Service*: Because the AD/CVD law requires collection of offsetting duties at the time merchandise enters the country, ITA communicates regularly with Customs to ensure the prompt and accurate implementation of ITA's decisions. Customs then collects cash deposits and final duty assessments. ITA responds to inquiries from Customs' headquarters and port offices regarding the scope and potential evasion of AD/CVD orders, as well as other enforcement concerns.
- *Department of Treasury*: ITA works closely with Treasury to monitor subsidy-related commitments contained in the IMF stabilization packages.
- *Department of State*: In AD/CVD proceedings, ITA verifies information provided by foreign governments and companies in those countries. ITA works closely with the Department of State to obtain country clearances, arrange meetings, and make necessary trip arrangements. In addition, ITA works with State to obtain pertinent information on subsidy enforcement issues. ITA works on a daily basis with U.S. embassies abroad—including State Department Economic Officers as well as Commerce's U.S. and Foreign Commercial Service Officers—to implement strategies for removal of foreign trade barriers to U.S. exports.
- *Department of Justice*: ITA, in conjunction with the Office of the General Counsel, works with Justice's attorneys on pending AD/CVD litigation before the Court of International Trade and the Court of Appeals for the Federal Circuit.

Government/Private-Sector

- The President's Export Council, chaired by the Secretary of Commerce, advises the President on trade policy issues. Its membership includes 28 CEOs of private-sector companies, officials of other Federal agencies (Commerce, State, Treasury, Labor, Agriculture, SBA, Export-Import Bank, and USTR) and 10 Congressional representatives. The Industry Consulting Program, consisting of 22 trade advisory committees, provides input to the Government on trade policy issues.

External Factors and Mitigation Strategies

All trade is subject to the sharp changes in economic performance in markets around the world; changes in trade policy by foreign nations; expansion of markets just starting to open, such as China; and technological advances and large-scale, unexpected capital movement. ITA staff has identified, and will continue to identify, these changes and adopt policies that continue to promote expanding overseas markets for U.S. firms and workers.

ITA will address the impact of other nations' trade policies. Specifically, we will expand our analytical infrastructure to support timely and accurate assessments of (1) impact on U.S. industries of the growth of regional trade pacts (e.g., EU-Mexico, EU-Mercosur), (2) the impact of major competitors exporting their discriminatory technical regulations to third markets in the developing world. We will develop strategies to support bilateral and multilateral trade negotiations that prevent the adoption of discriminatory international standards and regulations against U.S. products. We will also work closely with foreign governments and regulatory officials in the developing world to devise strategies to address regulatory barriers, head off potentially harmful regulations, and help shape good regulations and standards.

Foreign financial crises can trigger import surges, dumping, subsidies, and other unfair trade practices. New or changing governments can create new barriers to market access for U.S. companies. ITA continues an extensive import monitoring program that closely tracks imports and prices in key import-sensitive sectors, such as steel, autos, semiconductors, chemicals, and paper, to help the Administration formulate a swift response to potential import surges.

Performance Goal 2: Promote Exports by Small and Medium-Sized Enterprises (SMEs)

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Objective 1.1: Provide the infrastructure to enable the participation of all Americans in the new economy.

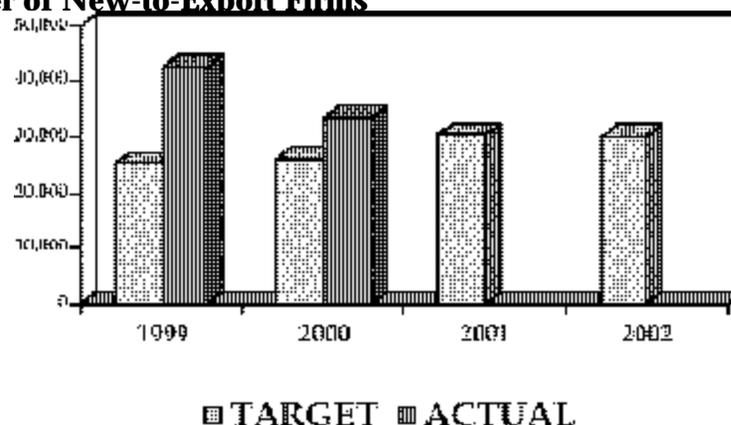
Rationale for Performance Goal

An increasing number of small U.S. businesses are exporting goods and services. Many of these businesses—as well as larger business seeking to enter new markets—need assistance to achieve market entry and expansion and to take advantage of trade opportunities. For example, in 1997, nearly 90 percent of all small and medium-sized enterprise (SME) exporting firms posted exports of less than \$1 million. Of all SMEs that exported, 62 percent sold goods to only one overseas market.

ITA targets its products and services to SMEs by identifying the best markets for their products, developing effective market strategies based on information generated from our overseas offices, advising clients on distribution channels, and assisting clients with locating appropriate public and private trade finance programs. ITA's Trade Information Center operates a hotline that provides information, referrals, and country counseling to a mostly SME clientele. ITA organizes export-financing workshops throughout the country to address the special resource needs of SMEs. ITA's Market Development Cooperator program is a public-private-sector venture that provides funds and staff expertise to support innovative export marketing programs designed by trade and nonprofit organizations to benefit their SME membership. Over 100 Export Assistance Centers provide trade facilitation programs directly to SMEs and link them with information and resources provided by ITA's overseas posts. ITA's international trade specialists and U.S. and Foreign Commercial Service Officers provide detailed information and analysis on foreign market opportunities, advocacy assistance, market conditions and export financing. This concentration of expertise is found nowhere else inside or outside of the Federal Government.

The original FY 2000 performance goal, "Increase the Number of Small Business Exporters," was reworded and strengthened in the FY 2002 APP to better define ITA's strategic direction and reflect FY 2002 departmental strategic goals and objectives.

Measure 2a: Number of New-to-Export Firms



	FY 1999	FY 2000	FY 2001	FY 2002
Target	25,260	26,089*	30,336	30,005
Actual	42,351	33,514		
Met/Not Met	Met	Met		

* Original FY 2000 target

Data Validation and Verification:

Data source: U.S. participants in trade events.

Frequency: Quarterly and annually

Data storage: Client Management System (CMS) software operating on a Lotus Notes platform and e-menu. Consolidated figures collected by ITA's US&FCS Office of Planning (OP). Data are maintained in an OP database operating on a Lotus Notes platform.

Verification: Client contacts and office activity are recorded and entered into CMS and e-menu upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of new-to-market (NTM) and new-to-export (NTE) export actions, client counseling sessions (both inoffice visits and out-of-office visits), and other activities. Each office manager reviews, verifies, and signs the reports. Project managers and Office of Planning staff verify data.

Data Limitations: Although ITA assists thousands of small businesses that are new to exporting each year, it can be difficult to quantify our successes. ITA's collection of data to measure numbers of clients that successfully export for the first time as a result of ITA assistance is wholly dependent on a client's willingness to provide such information. Additionally, because actual exports occur subsequent to the delivery of ITA services (frequently 12 to 18 months later), it is difficult to match outputs with outcomes in a 12-month period. It is extremely difficult to track the actual dollar value of exports supported by ITA services because businesses are reluctant to reveal their business proprietary information to the Federal Government or to have their success stories published for competitors to read. Because of the difficulty in reliably measuring outcome performance, ITA instead tracks numbers of firms new to the export market as circumstantial evidence of overall export growth and export-fueled job creation.

Explanation of Measure

- Target exceeded. In the FY 2001 APP, the target for FY 2000 was adjusted from 26,089 to 36,066 new-to-export firms to reflect ITA's projected increased activities in this area. The FY 2000 actual number of 33,514 new-to-export firms exceeded the original projection by 26 percent but fell short of the revised target. ITA's challenge was and is to continue U.S. export expansion in the face of increasing global economic uncertainty. Financial turmoil, though subsiding, is still buffeting a number of economies around the world, including Russian, Asian, and Latin American economies.
- Collecting statistics on new-to-export firms shows whether or not ITA is achieving its goal of increasing the overall dollar value of U.S. exports. The measure refers to the number of U.S. firms that ITA successfully assisted with expanding their international trade efforts.
- The FY 2001 APP target of 36,949 new-to-export firms is revised to 30,336 to reflect the FY 2000 performance trends.
- ITA is reviewing its performance measures and its collection, verification, and validation processes. This review is a part of a much broader process to create a road map for the ITA to become the leader in providing customer-focused, responsibly managed Federal Government export assistance. Analysis of the data will not be available until the review is completed.

FY 2000 Program Evaluation for ITA Performance Goal 2: Promote Exports by Small and Medium-Sized Enterprises

ITA conducted a number of program reviews of its activities that support SMEs. These covered systems, procedures, and practices at seven foreign posts (Chile, Czech Republic, Guatemala, Honduras, Israel, Kuwait,

and Morocco) and three domestic U.S. Export Assistance Centers (USEACs) (Boston, Detroit, and Portland). The reviews identified organizational best practices and provided site-specific recommendations on program topics (e.g., client follow-up, outreach, relationships with the business community and partner organizations), administrative issues (funds use, reporting, revenue collections, space) and management issues (distribution of staff responsibilities and deployment, training, office communication, relations with other U.S. and Foreign Commercial Service (US&FCS) offices, reconciling multiple priorities). Recommendations are implemented at each post upon completion of the management and program reviews.

Summary Actions Related to Performance Goal 2

Action Plan

Strategies	Activities
<p>Undertake an internal initiative to improve existing products and services to meet the needs of its SME clients. ITA is creating and testing new products explicitly designed to meet the specialized needs of SMEs and minority-owned firms.</p>	<ul style="list-style-type: none"> • Conduct a multimedia instruction program for SMEs, using videoconferencing and educational video tools, to provide knowledge of foreign markets and broaden awareness of opportunities in specific emerging markets. • Provide commercial intelligence reports and market-product matching services to guide SMEs in selecting and promoting their products to specific targeted markets. • Develop an Internet-Based Market Penetration Program, enabling SMEs to participate in low-cost export marketing vehicles, such as virtual trade shows.
<p>Undertake an aggressive program to implement the Manufacturing Initiative to expand exports by SMEs.</p>	<ul style="list-style-type: none"> • Spur technology commercialization, by helping SMEs move high-technology products from the laboratory to the global marketplace. • Sponsor export-financing workshops to address the resource needs of SMEs.
<p>Continue the Global Diversity Initiative (GDI) for minority-owned enterprises.</p>	<p>Continue forging new synergy between the growing number of minority-owned businesses in the U.S. and opportunities in the global marketplace, by partnering with national and local organizations, conducting research activities, and integrating minority-owned firms into ITA programs.</p>
<p>Develop an Executive Export Management Certificate Program for SMEs.</p>	<p>Work with universities to develop a professional training program, accessible via the Internet, to enable SMEs to get formal training on assessment and preparation for global penetration, export documentation, and potential marketing techniques.</p>
<p>Develop an “industry sector” e-marketplace to bring international buyers and U.S. exporters together and facilitate transactions. Coordinate Government efforts with those of the private-sector to garner broad participation by all sectors of the U.S. business community and ensure seamless technological</p>	<p>Create “industry sector” e-marketplaces for U.S. SMEs providing broad range of automated business tools, such as on-line catalogs, managed lead tracking, automated searching, sourcing and negotiation with international buyers, financing, insurance, credit checks, credit card verification. The e-marketplaces will serve as information resources on market trends, opportunities for business-to-business (B2B) partnering, trade regulations, non-tariff barriers, documentation requirements, and potential trade and investment partners.</p>
<p>Develop and implement export-finance programs and tools to facilitate export expansion by SMEs.</p>	<ul style="list-style-type: none"> • Conduct creative export-financing seminars for SMEs, in coordination with State and local trade offices, covering topics such as export credit insurance, nonbank financing alternatives, and credit risk evaluation. • Market the new Export Finance Matchmaker Web site, which enables exporters/international buyers to locate financial firms that can finance their cross-border sales/purchases.

Cross-Cutting Activities

Intra-DOC

- *Minority Business Development Agency*: Work together to craft and implement Urban Export Initiative for minority-owned businesses.
- *Office of General Counsel*: Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.
- *National Institute of Standards and Technology (NIST)*: Coordinate our efforts to help SMEs export new technology; execute a cooperative agreement to provide Standards Attachés. Coordinate trade initiatives with NIST's technology development and commercialization programs.
- *NOAA*: Coordinate trade initiatives with NOAA's environmental programs.
- *Census*: Fund reimbursable agreements to produce customized statistics and collaborate on development of methodologies to generate data on services exports.

Other Government Agencies

- *Small Business Administration (SBA)*, Export-Import Bank, State/Local Government Agencies, Local Chambers of Commerce: Share clients to provide complementary counseling services.
- *Department of Energy, Department of Transportation, Department of Education*: Provide industry expertise for ITA trade events.
- *Department of Defense/USAF*: The Air Force provides industry expertise for ITA trade events involving aircraft sales (e.g., the Paris Air Show).
- *Department of State*: State's Economic Officers assist with market research projects in countries where US&FCS does not maintain staff.
- *Department of Agriculture (USDA)*: USDA provides grant assistance for US&FCS export counseling in rural areas.
- *Bureau of Indian Affairs (BIA)*: BIA provides industry expertise for ITA tourism development efforts.
- *USAID*: This agency provides grant assistance for various overseas projects (e.g., American Business Centers in Russia).
- *TPCC* : The Trade Promotion Coordination Committee (TPCC) coordinates the implementation of trade finance and trade promotion programs of the 19 TPCC-member agencies.

Government/Private-Sector

None.

External Factors and Mitigation Strategies

ITA's success in achieving this goal is dependent upon domestic and international economic conditions. Economic shocks in foreign markets can adversely affect demand for U.S. exports. Exchange rate fluctuations and the increasing relative strength of the U.S. dollar can make U.S. exports more costly in foreign markets. Additionally, availability of resources for new initiatives is subject to Congressional approval of increased appropriations or restriction of other activities. The cooperation of other TPCC member agencies affects the level of services provided to SMEs.

To mitigate external factors, ITA will host a series of conferences to promote export assistance programs and services, and to disseminate information on how e-commerce facilitates exporting for SMEs. To help with this

effort, ITA developed Web-based “starter kits” to provide the basic information that companies, and in particular SMEs, need to begin exporting products and services using e-commerce. ITA’s Trade Information Center (TIC) will provide on-line information to help SMEs receiving e-commerce inquiries. The TPCC agencies’ export promotion programs and activities include technical assistance (financial, legal, measurement and standards, and intellectual property rights); supporting economic reforms in Asia and emerging economies; increasing trade finance resources for U.S. exporters; engaging China at high-level negotiations; and joining Africa in a partnership that benefits economies on both sides of the Atlantic.

Performance Goal 3: Increase U.S. Exports by Implementing the National Export Strategy Through Government-wide Coordination of Trade Promotion and Trade Finance Programs

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Objective 1.1: Provide the infrastructure to enable the participation of all Americans in the new economy.

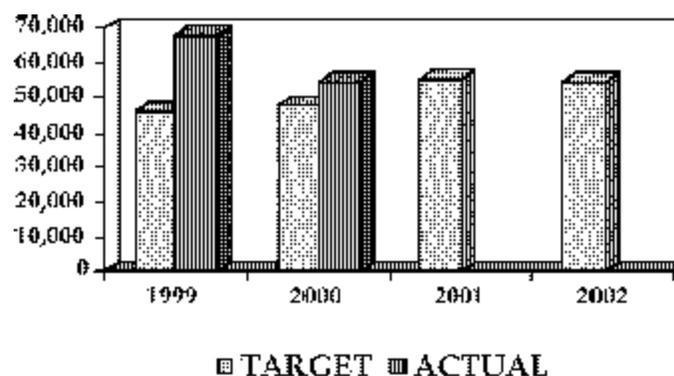
Rationale for Performance Goal

With trade playing an increasingly important role in the national economy, the National Export Strategy focuses on streamlining and strengthening Government trade promotion and finance programs, regional trade promotion strategies, responses to foreign competitive practices that threaten fair and competitive market access, and initiatives that give exporters access to the tools they need to compete in the global marketplace. At the same time, the accelerated pace of the new economy demands that agencies coordinate their efforts more closely in the short-term and jointly develop new programs and initiatives that respond to the changing needs of exporters.

The Trade Promotion Coordinating Committee (TPCC), chaired by the Secretary of Commerce, coordinates 19 agencies' efforts to strengthen, streamline, and leverage its existing programs. The TPCC develops a consensus on offsets, evaluates member agencies' strategic plans, and makes recommendations to the Office of Management and Budget to ensure that trade promotion and finance assistance efforts are aligned with our commercial policy priorities. Through the TPCC, ITA, for example, leverages technology to give firms access to critical information and products; operates a network of one-stop shops for local, hands-on assistance to U.S. exporters; coordinates advocacy on behalf of U.S. companies; reduces obstacles to exporting through the enforcement of U.S. trade laws and monitoring of U.S. negotiated international trade agreements; and pioneers efforts to better serve under-served communities.

The original performance goal, "Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)," was reworded to better define ITA's strategic direction and reflect evolving FY 2002 departmental strategic goals and objectives.

Measure 3a: Number of New-to-Market Firms



	FY 1999	FY 2000	FY 2001	FY 2002
Target	45,919	47,437*	54,779	53,958
Actual	67,835	54,307		
Met/Not Met	Met	Met		

* Original FY 2000 target level

Data Validation and Verification:

Data source: U.S. participants in trade events

Frequency: Quarterly and annually

Data storage: The Client Management System (CMS) software operating on a Lotus Notes platform and e-menu. Consolidated figures collected by ITA's US&FCS Office of Planning (OP). Data are maintained in an OP database operating on a Lotus Notes platform.

Verification: Client contacts and office activity are recorded and entered into CMS and e-menu upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of new-to-export (NTE) and new-to-market (NTM) export actions, client counseling sessions (both in office visits and out-of-office visits), and other activities. Each office manager reviews, verifies, and signs the reports. Project managers and Office of Planning verify data.

Data Limitations: It is extremely difficult to track the actual dollar value of exports supported by ITA services because businesses are reluctant to reveal their proprietary information to the Federal Government as well as to have their success stories published for competitors to read. Because of the difficulties in reliably measuring outcome performance, ITA instead tracks numbers of NTMs as circumstantial evidence of overall export growth and job creation.

Explanation of Measure

- Target exceeded. In the FY 2001 APP, target for FY 2000 was adjusted from 47,437 to 64,914 to reflect ITA's projected increased activities in this area. FY 2000 actual number of 54,307 new-to-market firms exceeded the original projection by 14%, but fell short of the revised target. Changes in target/actual of new-to-market firms are closely tied to domestic and international economic conditions. ITA's challenge was and is to continue U.S. export expansion in the face of increasing global economic uncertainty. Financial turmoil, though subsiding, is still buffeting a number of economies around the world, including those in Russia, Asia, and Latin America. The number of New-to-Market firms' performance measure is one of several measures related to activities tracked by ITA.
- Collecting statistics on new-to-market firms shows whether or not ITA is achieving its goal of increasing the overall dollar value of U.S. exports. The measure refers to the number of U.S. firms that ITA successfully assisted with expanding their international trade efforts.
- The FY 2001 target of 66,187 new-to-market firms has been revised to 54,779 to reflect the FY 2000 actual performance.
- ITA is in the process of reviewing its performance measures and its collection, verification, and validation processes. This review is a part of a much broader process to create a road map for the ITA to become the leader in providing customer-focused, responsibly managed Federal Government export assistance.

FY 2000 Program Evaluation for ITA Performance Goal 3: Increase U.S. Exports by Implementing the National Export Strategy Through Government-Wide Coordination of Trade Promotion and Trade Finance Programs

ITA conducted a number of program reviews of its activities that support SMEs. These covered systems, procedures, and practices at seven ITA's foreign posts (Chile, Czech Republic, Guatemala, Honduras, Israel, Kuwait, and Morocco); and three domestic U.S. Export Assistance Centers (USEACs) (Boston, Detroit, and

Portland). The reviews identified organizational best practices and provided site-specific recommendations on program topics (e.g., client follow-up, outreach, relationships with the business community and partner organizations), administrative issues (funds use, reporting, revenue collections, space), and management issues (distribution of staff responsibilities and deployment, training, office communication, relations with other US&FCS offices, reconciling multiple priorities). Recommendations are implemented at each post upon completion of the management and program reviews.

Discontinued Measures

The “number of counseling sessions” performance measure was discontinued in the FY 2002 APP. This performance measure did not reflect ITA’s level of success, especially when the emphasis is on the use of electronic means to communicate trade opportunities and information to U.S. firms.

Counseling Sessions

	FY 1999	FY 2000	FY 2001	FY 2002
Target	305,837	292,822	281,165	Discontinued
Actual	296,769	277,080		
Met/Not Met	Not Met	Not Met		

Data Validation and Verification:

Data source: U.S. companies benefiting from ITA business counseling sessions

Frequency: Annually, by fiscal year

Data storage: US&FCS’s custom-designed Client Management System (CMS) software operating on a Lotus notes platform, the Office of Trade Events Management (OTEM), and Trade Information Center (TIC) databases.

Verification: Client contacts and office activity are recorded and entered into CMS, OTEM, and TIC upon occurrence.

Summary Actions Related to Performance Goal 3

Action Plan

Strategies	Activities
Provide a “seamless web” of Government services through coordination with other TPCC members	Offer a seamless web of export counseling and assistance services delivered through a worldwide network of over 100 domestic U.S. Export Assistance Centers and office locations in 80 countries. ITA services and expertise range from trade finance to trade complaints to specialized assistance for SMEs and minority-owned businesses.
Expand commercial infrastructure in emerging markets to promote market-based legislative and regulatory reforms to facilitate exports by U.S. firms.	<ul style="list-style-type: none"> • Provide technical assistance to raise housing construction standards, showcase U.S. firms’ expertise, and promote U.S. exports. • Provide technical assistance to the developing foreign economies, to develop regulatory regimes in energy and transportation sectors to facilitate entry/expansion by U.S. firms. • Promote benefits and models for liberalizing telecommunications markets to reduce costs for local economies and spur business efforts by U.S. firms.
Participate in negotiations and lead business outreach efforts for the World Trade Organization (WTO) Services Negotiations.	Organize roundtables with additional service industry firms to establish negotiating priorities for the WTO Services Negotiations.
Promote U.S. trade with China with TPCC member support agencies.	<ul style="list-style-type: none"> • Develop a commercial strategy for China focused on compliance and monitoring, technical assistance, and export promotion. • Promote exports of U.S. environmental technologies within the framework of the U.S.-China Joint Commission on Commerce and Trade.
Develop more comprehensive trade statistics to measure the impact of exports on State and local economies and provide timely analyses in response to critical global events.	<ul style="list-style-type: none"> • Develop methodologies to generate data on services exports the fastest growing segment of the U.S. economy – at State and local levels. • Implement quarterly monitoring of the impact on States of major international events (e.g., the Asian crisis).

Cross-Cutting Activities

Intra-DOC

- *National Institute of Standards and Technology (NIST)*: Coordinate our efforts to help Small Business Exporters (SBEs) export new technology; execute a cooperative agreement to provide Standards Attachés. Coordinate elements of the Environmental Technologies Export Initiative with NIST’s technology development and commercialization programs.
- *Census*: Fund reimbursable agreements to produce customized statistics and collaborate on the development of methodologies to generate data on services exports.

- *NOAA*: Coordinate elements of the Environmental Technologies Export Initiative with NOAA's environmental programs.
- *Office of General Counsel*: Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *Small Business Administration (SBA)*, Export-Import Bank, State/Local Government Agencies, Local Chambers of Commerce: Share clients to provide complementary counseling services.
- *Department of Energy, Department of Transportation, and Department of Education*: Provide industry expertise for ITA trade events.
- *Department of Defense/USAF*: The Air Force provides industry expertise for ITA trade events involving aircraft sales (e.g., the Paris Air Show).
- *Department of State*: State's Economic Officers assist with market research projects in countries where US&FCS does not maintain staff.
- *Department of Agriculture (USDA)*: USDA provides grant assistance for US&FCS export counseling in rural areas.
- *Bureau of Indian Affairs (BIA)*: BIA provides industry expertise for ITA tourism development efforts.
- *USAID*: USAID provides grant assistance for various overseas projects (e.g., American Business Centers in Russia).
- *TPCC*: TPCC coordinates implementation of trade finance and trade promotion programs of the 19 TPCC member agencies.

Government/Private-Sector

None.

External Factors and Mitigation Strategies

Growth in the number of U.S. firms that export is closely tied to domestic and international economic conditions. Economic shocks in foreign markets can adversely affect demand for U.S. exports. Exchange rate fluctuations and the increasing relative strength of the U.S. dollar can make U.S. exports more costly in foreign markets. Availability of resources for new initiatives is subject to Congressional approval of increased appropriations or restriction of other activities. The cooperativeness of other TPCC member agencies can affect the level of services provided to SMEs.

To mitigate external factors, ITA's Advocacy Center is exploring ways to more effectively use the TPCC Advocacy Network to counter the involvement of foreign governments in major project competitions overseas. ITA will conduct a series of conferences and seminars to (1) educate and demonstrate to U.S. firms export assistance programs and services and (2) disseminate information on how e-commerce facilitates exporting for small manufacturers.

To help with this effort, ITA has developed Web-based "starter kits" to provide the basic information companies need to begin exporting products and services using e-commerce. ITA's Trade Information Center (TIC) will provide on-line information to help firms receiving e-commerce inquiries.

The TPCC agencies provide technical assistance (financial, legal, measurement and standards, and intellectual property rights); support economic reforms in Asia and emerging economies; increase trade finance resources for U.S. exporters; engage China at high-level negotiations; and join Africa in a partnership that benefits economies on both sides of the Atlantic.

Performance Goal 4: Improve the U.S. Competitive Advantage through Global E-Commerce

Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness.

Objective 2.3: Provide the infrastructure for a digital economy and digital government.

Rationale for Performance Goal

ITA will focus on the trade policy and promotion aspects of electronic commerce. According to a new Forrester Research study, e-commerce will account for 8.6 percent of worldwide sales of goods and services. Yet, recent data from the Census Bureau reveal that SMEs do not export as much as they could. Nearly 90 percent of all exporting firms in 1997 posted exports of less than \$1 million. Of all the SMEs that exported, 62% percent sold goods to only one overseas market. E-commerce has the potential to radically change these data.

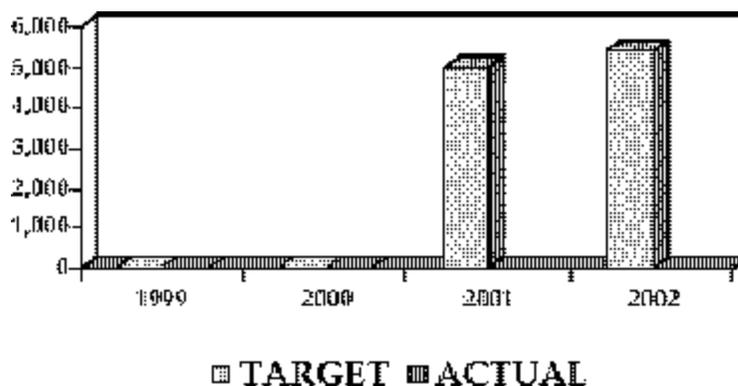
ITA's electronic commerce export promotion program has four main goals: helping small business use the Internet to find markets overseas; helping established U.S. information technology companies to expand overseas; helping emerging economies make the transition to the digital age; and ensuring that both the Internet and foreign markets are open and accessible.

Domestically, ITA will provide exporters with desktop access to the international marketplace, through the use of electronic products and services. Internationally, ITA will develop country-specific and regional strategies tailored to each market.

On the policy side, ITA is working in a range of international forums with other Department of Commerce bureaus and Government agencies to develop and advocate U.S. policy positions on a range of e-commerce issues. These include privacy, consumer protection, infrastructure access, telecommunications liberalization, diffusion of information technology (IT) to SMEs, standards, IT tariff elimination, and expanded IT market access. Finally, ITA will play a lead role in developing a government-wide export portal, an on-line source for all U.S. Government trade promotion resources.

The original performance goal, "Strengthen and Institutionalize ITA's Trade Promotion and Trade Advocacy Efforts," was discontinued in the FY 2002 APPR to reflect departmental strategic goals and objectives. The function continues to be performed by ITA. It is subsumed under the performance goal "Increase U.S. Exports by Implementing the National Export Strategy Through Government-Wide Coordination of Trade Promotion and Trade Finance Programs."

Measure 4a: Number of new subscribers using BuyUSA.com e-services



	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	5,000	5,400
Actual				
Met/Not Met				

Data Validation and Verification:

Data source: U.S. subscribers using the BuyUSA.com Web site

Frequency: Quarterly

Data storage: Webtrends (Internet-based software tracking system)

Verification: Clients visiting the Web site or domain during a specific period of time. The U.S. and Foreign Commercial Service E-Services collects, reviews, verifies, and signs the reports.

Data Limitations: None. A subscriber is identified by a registered username.

Comment: The BuyUSA.com Web site became operative on March 5, 2001. Targets will be refined as we gauge the success of this Web site by the number of new subscribers to this new e-service. Subscribers receive full access to the databases of international buyer, distributor, and business partner contacts, trade leads and postings, catalogs, and the ability to establish ex-works purchase orders on line.

Explanation of Measure

- This measure was added in the FY 2002 APP to better define ITA's strategic direction and reflect FY 2002 departmental strategic goals and objectives. The "number of new subscribers using BuyUSA.com e-services" directly supports ITA's trade policy and promotion aspects of electronic commerce. Subscribers to the "BuyUSA.com" receive full access to the database of international buyer, distributor, and business partner contacts, trade leads and postings, catalogs and the ability to establish purchase orders on-line. As E-commerce goes global, U.S. SMEs seek a secure platform for identifying potential international buyers and transacting business. ITA strives to provide e-commerce export facilitation tools, such as BuyUSA.com, to new and existing clients, create new e-commerce services, and promote information technology throughout the world.

FY 2000 Program Evaluation for ITA Performance Goal 4: Improve the U.S. Competitive Advantage Through Global E-Commerce

This is a new performance goal. Planned program/management evaluations in FY 2002 will measure the effectiveness of ITA's e-commerce products and services offered to new customers through the BuyUSA.com Web site.

Discontinued Measures

- The “dollar value of gross exports supported” performance measure was discontinued in the FY 2002 APP in order to reflect departmental strategic goals and objectives.

Dollar Value of Gross Exports Supported

	FY 1999	FY 2000	FY 2001	FY 2002
Target	10.0B	10.5B	11.0B	Discontinued
Actual	9.8B	8.9B		
Met/Not Met	Not Met	Not Met		

Data Validation and Verification:

Data source: U.S. companies benefiting from U.S. Government advocacy

Frequency: Annually, by fiscal year

Data storage: Advocacy Center maintains a database that tracks advocacy projects, efforts undertaken, and results.

Verification: Advocacy Center staff conducts follow-up calls annually to a significant sample of customers to verify the dollar value of exports generated through the support of USG efforts. The validation process covers current status of each project, material changes regarding total project value, U.S. export content, and satisfaction with Advocacy Center or U.S. Embassy/Consulate services. In addition, the Advocacy Center posts cleared company “advocacy” success stories on its Web site.

Summary Actions Related to Performance Goal 4

Action Plan

Strategies	Activities
<p>ITA will strengthen its E-commerce trade promotion efforts by increasing and enhancing its field presence and service delivery network; through pioneering efforts to move e-commerce into the mainstream of trade; by enhancing and improving existing products and services; and creating new product lines to meet exporters' changing needs.</p>	<ul style="list-style-type: none"> • ITA will enhance its field presence by placing specialists in selected locations (e.g., NIST-trained standards experts in overseas locations). • ITA will continue to test and deliver new E-commerce services, e.g., virtual trade shows, Webcasting, "push" technologies, and enhanced Web site applications. • ITA will continue to enhance/improve products and services. New products will be piloted and introduced worldwide when successful. • ITA will conduct a multimedia instruction program for SMEs, using videoconferencing and other educational video tools, to provide knowledge of foreign markets and broaden awareness of export opportunities.
<p>Continue implementation of E-Exports Initiative, developing new tools and services that use information technology to assist U.S. exporters.</p>	<p>ITA will promote E-commerce usage through seminars/conferences in the United States and overseas.</p>
<p>Connect U.S. business to the new digital economy.</p>	<ul style="list-style-type: none"> • ITA will conduct outreach to the U.S. business community to promote exports using E-commerce and exports of E-commerce technologies and to identify impediments to U.S. industry access to foreign markets. • ITA will monitor, analyze, and contribute to policy developments on E-commerce issues (such as infrastructure access, network security, B2B and B2C Internet commerce) domestically, bilaterally, and in international organizations. • ITA will provide general trade and policy analysis and research, including analyzing foreign countries' E-commerce laws and initiatives and compare such requirements to U.S. policy requirements, as well as other policy developments in relevant international forums.
<p>Promote customer usage of recently developed IT Management Planning Tool – an innovative, software-based tool to help both U.S. IT suppliers and foreign IT users plan for additional IT investments to improve business operations (already translated into Spanish).</p>	<p>ITA will conduct outreach events to market the IT Tool at events around the world. It will also be translated into additional languages. ITA will also establish a private-sector partnership program.</p>

Cross-Cutting Activities

Intra-DOC

- *Office of General Counsel*: Work together on e-commerce guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.
- *National Institute of Standards and Technology (NIST)*: Coordinate our efforts to help SBEs or SMEs export new technology; execute a cooperative agreement to provide Standards Attachés. Coordinate trade initiatives with NIST's technology development and commercialization programs.
- *National Telecommunications and Information Administration*: Work together on opening foreign markets to American telecommunications technology.
- *Minority Business Development Agency*: Work together to craft and implement Urban Export Initiative for minority-owned businesses.
- *NOAA*: Coordinate E-commerce trade initiatives with NOAA's environmental programs.
- *Census*: Fund reimbursable agreements to produce customized E-commerce statistics and collaborate on development of methodologies to generate data on E-commerce services exports.

Other Government Agencies

- *Small Business Administration (SBA)*, Export-Import Bank, State/Local Government Agencies, Local Chambers of Commerce: Share clients to provide complementary counseling services on E-commerce.
- *Department of Energy, Department of Transportation, and Department of Education*: Provide industry expertise for ITA E-commerce trade events.
- *Department of Defense/USAF*: The Air Force provides industry expertise for ITA trade events involving aircraft sales (e.g., the Paris Air Show).
- *Department of State*: State's Economic Officers assist with E-commerce market research projects in countries where US&FCS does not maintain staff.
- *Department of Agriculture (USDA)*: USDA provides grant assistance for US&FCS E-commerce export counseling in rural areas.
- *Bureau of Indian Affairs (BIA)*: BIA provides industry expertise for ITA tourism development efforts.
- *USAID*: USAID provides grant assistance for various overseas projects (e.g., American Business Centers in Russia).
- *TPCC*: TPCC coordinates E-commerce implementation of trade finance and trade promotion programs of the 19 TPCC-member agencies.

Government/Private-Sector

None.

External Factors and Mitigation Strategies

U.S. exports are influenced by the overall strength of the global economy. The increasing relative strength of the U.S. dollar can make U.S. exports more costly in foreign markets. Economic slowdowns and/or issues relating to foreign corruption may reduce the number of advocacy requests received from U.S. firms competing in the international marketplace.

To counter these trends that may lower U.S. exports, ITA will increase efforts to promote U.S. companies' bids in regions with higher export potential. Global economic trends also require ITA to alter the types of programs

and export assistance services we provide for U.S. companies, i.e., pioneering efforts to move E-commerce into the mainstream of trade-enhancing and improving existing products and services, and creating new product lines to meet exporters' changing needs. Additionally, the ITA's worldwide network, strong in-country contacts, and improved local outreach, including local language Web sites, help foreign buyers locate U.S. suppliers. ITA created a menu of "reverse" services, which helps foreign buyers locate appropriate U.S. suppliers for their desired product, service, joint venture, or partnering needs.

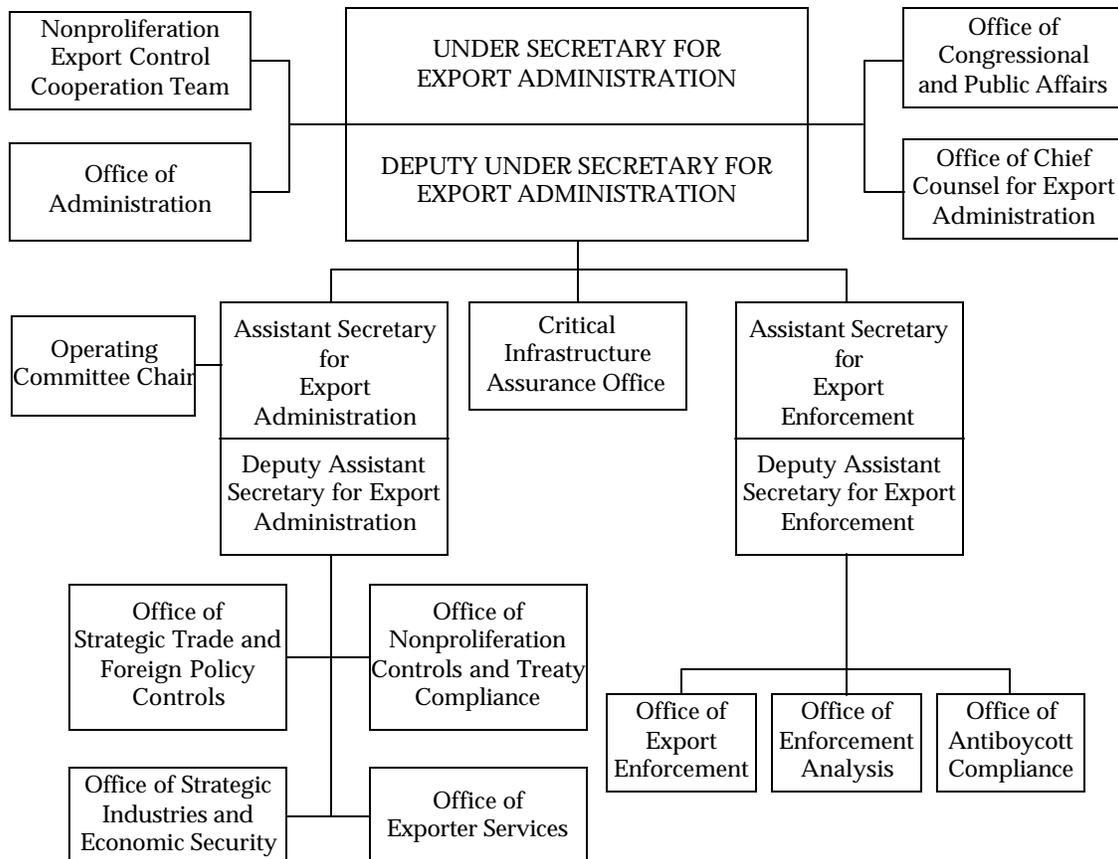


Bureau of Export Administration

Mission Statement

The Bureau of Export Administration seeks to advance U.S. national security, foreign policy, and economic interests by regulating exports of critical goods and technologies that could be used to damage those interests (while furthering the growth of legitimate U.S. exports to maintain our economic leadership); by enforcing compliance with those regulations; by cooperating with like-minded nations to obtain global support for this effort; by assisting nations that are key exporters or transit points for sensitive goods and technologies to strengthen their own transit and export controls; and by monitoring the U.S. defense industrial base to ensure it remains strong.

Organizational Structure



Priorities

The Bureau of Export Administration's immediate priorities include the following:

Combating Export Control Violations Committed with the Use of Computers. Business information is today overwhelmingly kept in electronic format, and export control violators are increasingly using computers to conceal evidence of their crimes. To address this problem, BXA plans to recruit agents who are trained in computer evidence recovery and who are able to obtain admissible evidence from searches of computers and computer networks. It will be essential that these agents are able also to keep pace with rapidly advancing information technology.

Conducting End-Use Checks in Countries where U.S. Trade Is Rapidly Expanding. BXA is responsible for protecting U.S. national security interests by identifying and halting illegal transactions. The pressure to meet this responsibility is particularly acute in areas where U.S. high-tech trade is increasing rapidly, such as with China and India. BXA plans to station experienced well-trained criminal investigators in the countries where such trade is rapidly expanding and which, have been determined to pose diversion risks.

Establishing Effective Coordination of the World's National Export Control Systems. Technological advancements are making it easier for nations of concern and subnational organizations to acquire the components for weapons of mass destruction and the knowledge and equipment to manufacture such weapons and their delivery systems. National export control systems separately have no hope of keeping pace with and preventing the proliferation of weapons of mass destruction—it is essential that those nations committed to halting proliferation work together to collect and share information on this threat. In pursuit of this objective, BXA plans to develop and implement mechanisms that will enable the rapid bilateral and multilateral sharing and updating of such information.

Establishing an International Consensus on Who and What Are Proliferation Threats. Unilateral efforts by the United States to contain weapons proliferation by enacting export controls against specific countries may be futile if the commodities or technologies subjected to those controls are available from other nations. Although this is expected to prove exceedingly difficult in the post-Cold War world, BXA therefore plans to seek greater harmonization of international export controls, both of specific goods and technologies and against specific countries. Preventing the further proliferation of weapons of mass destruction depends on progress being made in this area.

Effectively Enforcing Export Controls at U.S. Seaports. The Interagency Commission on Crime and Security at U.S. Seaports has reported to the President that trade growth and limited government enforcement resources have combined to create significant violation vulnerabilities at U.S. seaports. To reduce these vulnerabilities, BXA plans to establish a permanent enforcement presence in locations with the highest probability of export control violations. This will require increases in both budgetary and staff resources.

Management Challenges

The Bureau of Export Administration is facing several key challenges as we seek to meet our goals and objectives:

Designing, Building, and Migrating to a New Electronic Export Control System. BXA is replacing its aging mainframe licensing and enforcement computer system, designed in 1984, with a custom-built system that will be compatible with our new internal and interagency processes. This change will affect every facet of BXA's operations; failure to make it now would harm the efficiency and consistency of our licensing and enforcement decisions.

Modernizing the Communications Infrastructure. Several of our key infrastructure components, including fiber optic cable, smart hubs, and file servers, have reached or exceeded their useful life. The legacy Token Ring topology of

our infrastructure is nearing capacity, with the system inadequate to the task of handling new service applications such as integrated voice, video, and real-time data streaming. We have therefore developed plans to upgrade our system to permit migration to a high-speed switched topology that will support these new applications.

Maintaining Technical and Analytical Capabilities. BXA has insufficient technical and analytical personnel, a problem that is made more acute by the fact that 31 percent of our staff are eligible to retire or take early retirement. Recruiting and maintaining a qualified workforce able to fulfill the increasingly technical and analytical requirements of our mission will be a major challenge over the next five years. We have requested additional funding in our FY 2002 budget and hope to address this problem by recruiting expert licensing personnel.

Obtaining Congressional Support for and Enlisting Reluctant Partners in Critical Infrastructure Protection Efforts. BXA is responsible for establishing the means for deterring and preventing attacks on our nation’s critical infrastructure, and, should such attacks occur, for recovering quickly and with the least possible damage to our people and economy. If we are to successfully fulfill this responsibility, we must convince Congress of the nature and severity of the threat and the importance of countering it; we must seek to resolve distrust and “turf” issues among government agencies; and we must overcome the distrust among private sector companies of the federal government and of its critical infrastructure protection efforts. BXA will continue to work closely with Congress to achieve these aims.

Enhancing our Ability to Target Licensing and Enforcement Efforts. The interests of national security and international trade frequently conflict. BXA must balance the interests of Congress and U.S. exporters, and if we are to continue to do this effectively it is essential that the basic authorizing law of the export control system—the Export Administration Act—be comprehensively revised. We are continuing to work toward the passage of a properly revised Act that will enhance the ability of BXA and of the Administration to target our licensing and enforcement efforts on those exports that present the greatest national security risks, while at the same time streamlining or eliminating controls that unnecessarily hamper trade.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

The Bureau of Export Administration made substantial changes to its performance goals and measures in FY 2000. When the Department of Commerce updated its strategic plan, BXA seized the opportunity to change our performance goals and measures to more closely align them with the new departmental objectives; we also added goals and measures related to the important Chemical Weapons Convention and Critical Infrastructure programs. Guided by recommendations made by the General Accounting Office (GAO) in its *Observations on the Department of Commerce’s Fiscal Year 1999 Annual Program Performance Report and Fiscal Year 2001 Annual Performance Plan* (GAO/GGD-00-152R) and in accordance with the mandates of the Government Performance and Results Act (GPRA), we developed our new performance measures as statements of outcomes. Our goals and measures now clearly refer back to our mission and to the Department’s strategic goals and objectives, and were commended by the House Science Committee for developing goals “in a more outcome-oriented way” and for serving “as an adequate framework from which performance goals can be derived and subsequently measured.”

Performance Goal 1: By use of a dual-use export control system that continuously is refined to respond to changing requirements, transactions that are contrary to U.S. security interests are deterred and transactions without proliferation potential are facilitated						
	FY 1999	Target	FY 1999	Actual	FY 2000	Target
Number of high-risk transactions deterred	504	1,160	508	398	512	512

Performance Goal 2: The United States is in full compliance with the Chemical Weapons Convention (CWC) and all confidential business information of U.S. companies subject to inspection under the CWC is effectively protected

	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of U.S. facilities in compliance with the CWC regulations	New	New	New	New	New	754

Performance Goal 3: The U.S. defense industrial base is healthy and competitive

	FY 1999	Target	FY 1999	Actual	FY 2000	Target
The dollar value of contracts won in international competitions by U.S. defense firms	New	New	New	New	New	\$2 billion

Performance Goal 4: Violations of dual-use export control laws are identified and violators are sanctioned

	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of investigations accepted for criminal or administrative remedies	73	68	80	93	70	75

Performance Goal 5: Export controls of key nations are strong and effective

	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of targeted deficiencies remedied in the export control systems of cooperating transit or exporting nations	New	New	New	New	New	20

Performance Goal 6: The nation's various independent and interdependent infrastructure components are

	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of Agency plans implemented within the framework of the National Critical Infrastructure Protection Plan	New	New	New	New	New	4

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY 2000 Request	FY 2000 Actual	FY 2001 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1						
Total Funding	18.3	19.7	17.7	25.9	20.7	22.1
IT Funding*	0.5	0.8	0.7	0.8	0.8	1.3
FTE	144	154	112	161	129	132
Performance Goal 2						
Total Funding	New	2.6	4.2	3.5	7.3	7.3
IT Funding*		0.2	0.0	0.1	0.0	0.0
FTE		20	30	22	48	48
Performance Goal 3						
Total Funding	New	4.3	4.1	5.6	5.3	5.4
IT Funding*		0.2	0.2	0.2	0.2	0.3
FTE		33	26	35	31	32
Performance Goal 4						
Total Funding	24.9	26.0	26.0	28.4	27.0	28.7
IT Funding*	0.7	1.1	1.3	1.1	1.2	2.0
FTE	202	208	197	218	208	208
Performance Goal 5						
Total Funding	New	5.0	4.0	6.1	11.2	5.9
IT Funding*		0.1	0.1	0.1	0.1	0.1
FTE		9	17	9	9	9
Performance Goal 6						
Total Funding	New	6.9	5.0	7.1	5.4	5.5
IT Funding*		0.3	0.3	0.3	0.3	0.5
FTE		52	16	52	52	52
Grand Total:						
Total Funding	43.2	64.5	61.0	76.6	76.9	74.9
Reimbursable**	5.2	9.8	3.9	5.0	11.6	6.0
IT Funding*	1.2	2.7	2.6	2.6	2.6	4.2
FTE	346	476	398	497	477	481

*IT Funding included in Total Funding

** Reimbursable Funding included in Total Funding

Skill Summary

- Extensive working knowledge of the Export Administration Act, Export Administration Regulations, and related Executive Orders pertaining to the control of dual-use commodities
- Knowledge of world political/economic systems and current trends in U.S. trade and national security and foreign policy issues
- Superior analytic abilities for complex licensing/policy decisions and regulatory interpretations

IT Requirements

- Computer programmers, system analysts, database managers, and network engineers

FY 2002 Performance Goals

Performance Goal 1:

By use of a dual-use export control system that continuously is refined to respond to changing requirements, transactions that are contrary to U.S. security interests are deterred and transactions without proliferation potential are facilitated

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.2: Promote responsible economic growth and trade while protecting American security

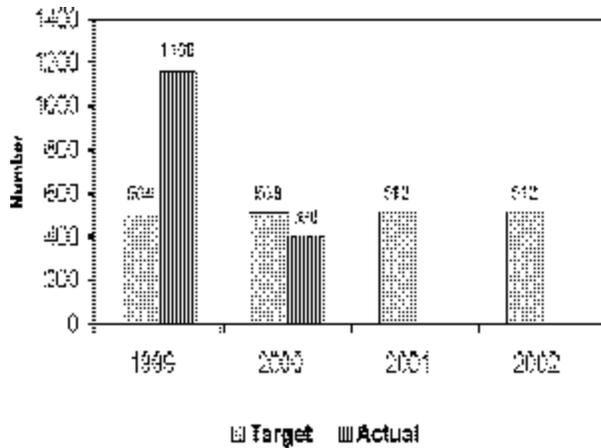
Rationale for Performance Goal

The Bureau of Export Administration (BXA) serves U.S. businesses engaged in international trade by processing applications for export of controlled commodities in accordance with Export Administration Regulations. BXA also serves its clientele by expediting the export licensing process and by providing guidance to exporters on how to conform to applicable laws and regulations. We are particularly vigilant in evaluating transactions involving advanced technologies and dual-use products that potentially can be diverted to use in chemical, biological, nuclear, or conventional weapons or missile programs.

Responding to increased concern about the proliferation of weapons of mass destruction, BXA has brought U.S. export controls in line with the new international political environment by reforming the dual-use export control system. We will continue to refine this system. We also seek to enhance our export regulatory effectiveness by educating stakeholders in the export licensing process—i.e., exporting businesses, thereby improving industry compliance with export control regulations and strengthening international export control efforts. These two efforts together will deter transactions that threaten U.S. security interests and, if thoughtfully undertaken, will produce a streamlined dual-use commodity control list and an improved license application cycle for controlled items that will reduce the license application /processing burden on U.S. exporters, enabling them to be more competitive in world markets and thereby benefiting both the exporters and the U.S. economy.

Measure 1a: Number of high-risk transactions deterred

	FY 1999	FY 2000	FY 2001	FY 2002
Target	504	508	512	512
Actual	1,160	398		
Met/Not Met	Met	Not Met		



Data Validation and Verification

Data source: Export Control Automated Support System (ECASS)

Frequency: Annual

Data storage: ECASS

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Explanation of Measure

The target was not met. It is difficult to project a target for the number of high-risk transactions to be deterred because of the many variables involved. In setting the target, BXA tries to balance the current licensing trend against projected regulatory and policy changes and anticipated advances in technology. The FY 2000 target of 508, set in FY 1998, was based on the decision to include applications that are identified as high-risk transactions but that are cancelled on the applicant's request—although normal processing of the application would result in final rejection, such applications are recorded as Returned without Action (RWA). The FY 2000 total of high-risk transactions deterred (398) does not include these RWAs because a computer system change permitting their count did not go into effect until FY 2001. The FY 2001 and FY 2002 targets will include RWA cases. Actions to meet future targets are limited to ongoing, periodic reevaluation of the variables affecting the outcome.

FY 2000 Program Evaluations for Performance Goal 1: By use of a dual-use export control system that continuously is refined to respond to changing requirements, transactions that are contrary to U.S. security interests are deterred and transactions without proliferation potential are facilitated

During FY 2000, the General Accounting Office (GAO) and Office of the Inspector General (OIG) conducted several studies of BXA programs. In accordance with the Government Performance and Results Act (GPRA), GAO and OIG conducted simultaneous studies of BXA's performance measures; BXA also initiated its own routine program to validate these data. These program reviews identified the need for computer system changes to ensure greater supervisory review of entered data, consistency of data entry, and periodic data downloads to facilitate recreation of reported data; they also identified the need for various administrative actions to improve communication of results and to clarify responsibilities. BXA is implementing computer system changes and is taking recommended steps cited in these reviews.

OIG additionally conducted a study on the Commerce Control List (CCL), focusing on how the CCL is developed and the roles other agencies play in the approval and appeal process. A draft report of OIG's findings is pending.

Discontinued Measures

Number of licensing decisions

	FY 1999	FY 2000	FY 2001	FY 2002
Target	12,000	12,500	14,000	Discontinued
Actual	12,598	11,039		
Met/Not Met	Met	Not Met		

Data Validation and Verification

Data source: Export Control Automated Support System (ECASS)

Frequency: Annual

Data storage: ECASS

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Explanation of Measure

The FY 2000 target of 12,500 licensing decisions was not met. This measure will be discontinued in FY 2002 for external reporting. The FY 2000 target of 12,500 licensing decisions, set in FY 1998, reflected the technology trends of the time and assumed few regulatory liberalizations or decontrols. The total of licensing decisions made (11,039) is a positive outcome and reflects the efforts by BXA and the Administration to balance national security and foreign policy goals with the need to promote exports and economic growth. During the year, unanticipated liberalizations and decontrols of encryption products and computers reduced licensing requirements and opened up several new markets for U.S. exporters. Equally significant was the removal of 51 Indian entities from the Entities List, thereby allowing normal trade relations with these parties. This is also reflected in the large decline in high-risk transactions deterred.

Average processing time for license applications (days)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	33	33	32	Discontinued
Actual	40	38.8		
Met/Not Met	Not Met	Not Met		

Data Validation and Verification

Data source: Export Control Automated Support System (ECASS)

Frequency: Annual

Data storage: ECASS

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Explanation of Measure

The FY 2000 target of 33 days was not met. This measure will be discontinued in FY 2002 for external reporting. In the first quarter of FY 2000, BXA received a higher than normal volume of license applications, resulting in an average processing time of 41 days. In the second and third quarters, a slight decrease in the number of applications brought the average processing time down to 38 days; further decreases in the fourth quarter resulted in an average processing time of 37 days for that quarter. The overall processing time for FY 2000 was 38.8 days. The projected target for FY 2001 is 32 days, which is currently unrealistic; we will nonetheless seek to get as close to it as we can. We are also seeking specifically to reduce processing time for cases that undergo interagency review, and are working with other agencies to permit delegations of authority and to thereby increase the number of applications that can be reviewed without referral. In addition, BXA continues to develop and to increase the number of standard conditions, acceptable to all agencies, that apply to certain categories of cases. More than 99 percent of all applications are approved with conditions—defining preapproved conditions acceptable to all export control agencies would significantly reduce the time it takes to craft an agreement acceptable to the exporter, to BXA, and to other reviewing agencies.

Number of export assistance seminars/conferences

	FY 1999	FY 2000	FY 2001	FY 2002
Target	204	115	120	Discontinued
Actual	136	86		
Met/Not Met	Not Met	Not Met		

Data Validation and Verification

Data source: Paper Records

Frequency: Annual

Data storage: Office Files

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation.

Explanation of Measure

The FY 2000 target of 115 was not met. This measure will be discontinued in FY 2002 for external reporting. In FY 2000, BXA continued to send representatives to as many events and conferences as staff resources permitted. Budget constraints and our inability to fill critical vacancies required us to reduce the number of BXA-sponsored events that draw larger, more diverse audiences, however. Given this continuing situation, we do not anticipate achieving our FY 2001 target.

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
Achieve receipts, reviews, interagency consultations, and decisions on export license applications that are accurate, consistent, and timely	Use state-of-the art information technology
Development of uniform control lists and licencing practices with like-minded supplier nations	Consult with representatives of supplier nations
Provision of full range of information to the U.S. exporting community	Create publications, seminars, and Internet sites, and perform individual consultations
Strengthen public-private partnerships	Sponsor Technical Advisory Committees to advise the Department of Commerce on technical issues related to export control regulations and policy

Cross-Cutting Activities

Intra-DOC

- BXA works with the International Trade Administration's U.S. and Foreign Commercial Service offices located around the world to coordinate work associated with planning and conducting export control seminars and with conducting pre- and postshipment export license reviews.
- BXA works closely with the International Trade Administration and other Departmental units with a relevant interest to ensure the thorough review of all Committee on Foreign Investment in the United States (CFIUS) cases and to coordinate CFIUS issues.
- BXA employs a full-time export administration specialist in the Department of Commerce Public Information Office in the Reagan International Trade Center. The specialist operates as an export counselor providing information in response to walk-in or telephone inquiries. BXA is one of eight Department agencies represented in the Reagan International Trade Center.
- BXA works with the Census Bureau on seminars and data sharing.
- BXA works with the Departmental Chief Information Office in activities relating to determination of the dependencies and interdependencies of systems within other federal agencies.

Other Government Agencies

- *Departments of State, Defense, Energy, Treasury, and Justice.* BXA works with these Executive-branch organizations to develop and implement U.S. export control policy and programs, including developing encryption policy and high-performance computer control policy, implementing sanctions, and participating in multilateral regimes such as the Missile Technology Control Regime, CWC, and Wassenaar Arrangement. BXA also coordinates intelligence and enforcement operations with these agencies.
- *U.S. Customs Service and the Nonproliferation Center.* BXA coordinates with these agencies on export control cooperation technical exchanges and activities with other nations.
- *Departments of State, Defense, Energy, and Justice; U.S. Customs; and the Federal Bureau of Investigation (FBI).* BXA works with these agencies to coordinate assessment of the international export control system and to

prioritize, design, and fund programs in which interagency resources are focused on specific national and regional issues.

- *U.S. Trade Representative (USTR)*. BXA is part of a USTR-led interagency team that is developing and implementing the United States—European Union Transatlantic Economic Partnership.

Government/Private Sector

- BXA consults with the *President's Export Council Subcommittee on Export Administration (PECSEA)*, a senior-level advisory committee whose members are appointed by the Secretary of Commerce to advise the U.S. Government on matters and issues pertinent to implementation of the provisions of the Export Administration Act (EAA) and the Export Administration Regulations (EAR), as amended, and related statutes and regulations. These issues relate to U.S. export controls as mandated by law for national security, foreign policy, nonproliferation, and short supply reasons.
- BXA consults with the *President's Export Council Subcommittee on Encryption (PECSENC)*, a senior-level advisory committee whose members are appointed by the Secretary of Commerce to advise the U.S. Government on matters pertinent to U.S. policies on commercial encryption products.
- *Technical Advisory Committees (TACs)* are mandated by the Export Administration Act (EAA) to advise the Department of Commerce and other agencies on technical issues related to export control regulations and policy.

External Factors and Mitigation Strategies

- Compliance with export control laws may be compromised if exporters are not aware of changes in requirements pertaining to them. BXA mitigates this situation by ensuring that exporters have ready access to regulatory and policy changes, by disseminating guidance via seminars, individual counseling and via the Internet.

**Performance Goal 2:
The United States is in full compliance with the Chemical Weapons Convention (CWC) and all confidential business information of U.S. companies subject to inspection under the CWC is effectively protected**

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.2: Promote responsible economic growth and trade while protecting American security

Rationale for Performance Goal

The Bureau of Export Administration is responsible for ensuring U.S. compliance with the treaty requirements of the Chemical Weapons Convention. BXA collects, validates, and aggregates data from those U.S. businesses that manufacture or use chemicals covered by the convention; educates those businesses on their treaty rights and obligations; and serves as the lead U.S. Government agency for hosting international inspectors who are inspecting U.S. business facilities subject to convention requirements. BXA’s primary host team role is to ensure that confidential business information is protected during inspections of U.S. chemical firms.

This goal was developed due to its significance to the U.S. Government.

Measure 2a. Number of U.S. facilities in compliance with the CWC Regulations

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	754
Actual				
Met/Not Met				

Data Validation and Verification

Data Source: Organization for the Prohibition of Chemical Weapons reports

Frequency: Annual

Data storage: Paper files

Verification: BXA’s Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation.

Explanation of Measure

This is a new performance measure created to help monitor the implementation of CWC and the impact it has on U.S. businesses.

FY 2000 Program Evaluations for Performance Goal 2: The United States is in full compliance with the Chemical Weapons Convention (CWC) and all confidential business information of U.S. companies subject to inspection under the CWC is effectively protected

During FY 2000, the General Accounting Office (GAO) and the Office of the Inspector General (OIG) conducted several studies of BXA programs. In accordance with the Government Performance and Results Act (GPRA), GAO and OIG conducted simultaneous studies of BXA's performance measures; BXA also initiated its own routine program to validate these data. These program reviews identified the need for computer system changes to ensure greater supervisory review of entered data, consistency of data entry, and periodic data downloads to facilitate the recreation of reported data; and the need for various administrative actions to improve communication of results and to clarify responsibilities. BXA is implementing computer system changes and is taking recommended steps cited in these reviews.

The GAO conducted a study of U.S. industry's experience with the Chemical Weapons Convention inspections, with the goals of (1) determining how companies protect proprietary information during inspections, (2) identifying adverse publicity given to companies as a result of being inspected, and (3) identifying the cost to companies of being inspected. The study indicated that companies were generally able to protect their proprietary information, in part because of certain provisions in the CWC and in U.S. law. There were no instances identified in which a company was affected by adverse publicity resulting from these inspections. The cost of inspection was found to range from \$6,000 to \$107,000, the variation being largely attributable to differences in the make-up of the costs that generated the total cost and to differences in the facilities being inspected.

Discontinued Measures

None

Summary Actions Related to Performance Goal 2

Action Plan

Strategies	Activities
BXA will oversee compliance with CWC regulations by the U.S. business community	<ul style="list-style-type: none"> • Inform industry of its obligations under the CWC regulations and provide assistance to industry to prepare for facility inspections • Facilitate domestic visits of international inspection teams seeking to determine compliance with treaty obligations • Analyze industry reports required to comply with the CWC and ensure the protection of the confidential business information of inspected facilities

Cross-Cutting Activities

Intra-DOC

None

Other Government Agencies

- *Governments of nations that conform to the CWC.* BXA has negotiated bilateral and multilateral agreements that demonstrate compliance with the CWC.
- *Departments of State, Defense, Energy, Treasury and Justice.* BXA works with these Executive branch organizations to develop and implement U.S. export control policy and programs, including participating in multilateral regimes such as the Missile Technology Control Regime, the Biological Weapons Convention (BWC), CWC, Australia Group and Wassenaar Arrangement. BXA also coordinates intelligence and enforcement operations with these agencies.

Government/Private Sector

- *American Chemistry Council and the Society of Chemical Manufacturers of America.* BXA negotiates controls and policies that conform to BWC and CWC while also protecting the valid concerns and interests of U.S. industry.

External Factors and Mitigation Strategies

- BXA's work in CWC compliance includes a balance between seminars and outreach visits that help companies prepare successfully for CWC inspections and the inspections themselves. The Organization for Prevention of Chemical Weapons (OPCW) establishes the number of CWC inspections based on 1) a mandated minimum number and on 2) risk assessments that it performs. The second factor is outside BXA control. If the number of inspections increases, the ability of BXA to assist companies in preparing for investigations can be correspondingly diminished due to budget constraints. BXA mitigates this by working very closely with OPCW to anticipate inspection requirements and properly address them in the budget planning process.

Performance Goal 3: The U.S. defense industrial base is healthy and competitive

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.2: Promote responsible economic growth and trade while protecting American security

Rationale for Performance Goal

BXA is the focal point within the Department for issues relating to the health and competitiveness of the U.S. defense industrial base. The bureau plays a leadership role in a wide range of issues that relate to both the national and economic security of the United States. Our efforts include assisting U.S. companies in diversifying from defense to commercial production and markets, promoting the sale of U.S. weapons systems to U.S. allies, and conducting primary research and analysis of critical technologies and defense-related sectors.

Measure 3a. The dollar value of contracts won in international competitions by U.S. defense firms

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	\$2 billion
Actual				
Met/Not Met				

Data Validation and Verification

Data Source: U.S. Embassy, U.S. industry, and U.S. Government information sources

Frequency: Annual

Data storage: Paper / electronic files

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Explanation of Measure

This is a new outcome-oriented measure created to monitor the effect of BXA's assistance to U.S. companies.

FY 2000 Program Evaluations for Performance Goal 3: The U.S. defense industrial base is healthy and competitive

During FY 2000, the General Accounting Office (GAO) and Office of the Inspector General (OIG) conducted several studies of BXA programs, in accordance with the Government Performance and Results Act (GPRA), the GAO and OIG conducted simultaneous studies of BXA's performance measures; BXA also initiated its own

routine program to validate these data. These program reviews identified the need for computer system changes to ensure greater supervisory review of entered data, consistency of data entry, and periodic data downloads to facilitate recreation of reported data; and the need for various administrative actions to improve communication of results and to clarify responsibilities. BXA is implementing computer system changes and is taking recommended steps cited in these reviews.

Specific to this goal, the GAO conducted the Notifications of Foreign Acquisitions to the Committee on Foreign Investment in the U.S. (CFIUS) study. This study recommended that the process for identifying foreign acquisitions with potential national security implications be amended such that the Departments of Commerce, Defense, Treasury, and State establish procedures requiring agency officials to submit all known foreign acquisitions of companies with potential national security implications to the Committee on Foreign Investment. The Department of Commerce concurred with GAO's recommendations that information collated by each member agency on foreign acquisitions be furnished to all committee members. The Department of Commerce maintains a valuable database of industry information relevant to the evaluation of the national security effects of foreign acquisitions.

Discontinued Measures

Number of strategic industry analyses completed

	FY 1999	FY 2000	FY 2001	FY 2002
Target	295	295	300	Discontinued
Actual	352	397		
Met/Not Met	Met	Met		

Data Validation and Verification

Data source: Paper Files

Frequency: Annual

Data storage: Office Files

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation.

Explanation of Measure

The FY 2000 target of 295 was met. This measure will be discontinued in FY 2002 for external reporting. The primary reason for the additional industry analyses in FY 2000 was an increase in the number of Department of Defense memoranda of understanding reviewed. As a result of the coalition action in Kosovo, the U.S. Department of Defense has increased defense cooperation with our NATO and non-NATO European allies.

Summary Actions Related to Performance Goal 3

Action Plan

Strategies	Activities
Macro- and microeconomic research is used to support critical industry analyses and export control assessments	<ul style="list-style-type: none"> Affected industries are surveyed and resulting information is provided to the public at large Proposed government actions affecting the well-being of firms are assessed and the consequences for the companies and economy at large are measured and provided to decision-makers
BXA will coordinate U.S. Government support for U.S. defense firms involved in procurement competitions overseas	Act as principal liaison to the Departments of Defense and State on defense trade advocacy issues
BXA will assist in facilitating business contacts between U.S. industry and potential customers	Sponsor outreach activities at domestic and international defense trade shows
BXA will maintain the competitiveness of U.S. defense firms	Provide economic and industrial base considerations to the Conventional Arms Transfer Policy
BXA will fully assess the economic health of the U.S. defense subcontractor base	Conduct studies on specific areas of the defense sector
BXA will seek ways to minimize the increasing burden of offsets placed on U.S. defense firms that make defense sales to foreign customers	Maintain participation in the Offsets Commission

Cross-Cutting Activities

Intra-DOC

- BXA works closely with the International Trade Administration and other Departmental units with a relevant interest to ensure the thorough review of all Committee on Foreign Investment in the United States (CFIUS) cases and to coordinate CFIUS issues.
- BXA works with the International Trade Administration's U.S. and Foreign Commercial Service offices located around the world to coordinate work associated with planning and conducting export control seminars and with conducting pre- and postshipment export license reviews.

Other Government Agencies

- Industries of nations that produce items and technologies requiring control.
- Department of Energy (DOE)*. BXA participates in an interagency review of foreign participation in DOE-sponsored Research and Development Agreements. DOE is partnered with BXA in promoting the reuse of surplus manufacturing equipment at former U.S. military bases.

- *Departments of Labor, State, and Treasury; U.S. Trade Representative.* Representatives from these departments participate in an interagency group, chaired by BXA, that prepares the annual report Offsets in Defense Trade for Congress.
- *Department of Defense (DoD).* BXA works closely with DoD in providing support for U.S. industry competing for international defense procurement opportunities.
- *Department of State.* BXA participates in the State-chaired Conventional Arms Transfer Committee and co-chairs the Market Impact Committee, an interagency advisory committee to DoD's Material Defense Stockpile.
- BXA monitors certain forms of technology transfer as part of its overall responsibilities for the defense industrial base. Among these responsibilities are participating in the Department of the Treasury-chaired Committee on Foreign Investment in the United States (CFIUS).

Government/Private Sector

None

External Factors and Mitigation Strategies

- The most important external factor affecting the overall volume of strategic industry analyses completed is the environment for international defense trade and cooperation. The overall health of the global economy also affects the health of U.S. strategic industries and the number of export licenses submitted, thus the need for more or fewer analyses. Finally, unanticipated global events may alter the commodities and destinations subject to export control, thereby necessitating new analyses. BXA mitigates these factors by targeting analyses to the most critical industrial sectors and by working closely with like-minded supplier nations to develop consistent acquisition and sales practices.

Performance Goal 4: Violations of dual-use export control laws are identified and violators are sanctioned

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.2: Promote responsible economic growth and trade while protecting American security

Rationale for Performance Goal

To be effective, export controls must be enforced and illegal exporters detected and prosecuted. BXA enforces dual-use export controls for reasons of national security, nonproliferation, counterterrorism, foreign policy, and short supply. The bureau also enforces the antiboycott provisions of the Export Administration Regulations, the Chemical Weapons Convention Implementation Act of 1998, and the Fastener Quality Act.

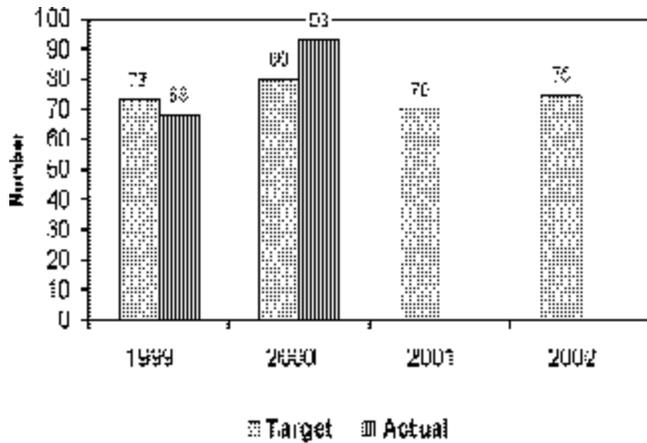
BXA conducts outreach and education programs to train U.S. exporters to identify and avoid illegal transactions. We also investigate suspected violations of the Export Administration Regulations, referring them to the Department of Justice for criminal prosecution and to the Department's Chief Counsel for Export Administration for civil remedy.

A key element of BXA's preventive enforcement program is the on-site visits we conduct to foreign end-users of sensitive technology. Pre-license checks (PLCs), most of them conducted by U.S. and Foreign Commercial Service (FCS) officers stationed in the countries of shipment destination, are performed prior to issuance of licenses to determine the reliability of foreign end-users. BXA enforcement agents and FCS officers additionally conduct postshipment verifications (PSVs) to ensure that exported items are used in accordance with the terms of the export license. A significant number of PSVs are conducted on high-performance computers as mandated by the National Defense Authorization Act of 1998.

BXA additionally works with its foreign counterpart agencies to encourage other governments to implement enforcement measures to complement our own efforts.

Measure 4a. Number of investigations accepted for criminal or administrative remedies

	FY 1999	FY 2000	FY 2001	FY 2002
Target	73	80	70	75
Actual	68	93		
Met/Not Met	Not Met	Met		



Data Validation and Verification

Data source: Enforce/Export Control Automated Support System (ECASS) Case Management Database

Frequency: Annual

Data storage: Enforce/ECASS Case Management Database

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Explanation of Measure

The FY 2000 target of 80 was met. In FY 2000, BXA reevaluated its method for counting the number of cases to more accurately describe this measure, adding antiboycott settlement agreements, closeouts, and warning letters to the number of cases accepted for criminal or administrative remedies. Because of budgetary constraints on travel and personnel, we do not expect to accept as many cases in FY 2001, and have therefore set targets of 70 cases for FY 2001 and 75 for FY 2002.

FY 2000 Program Evaluations for Performance Goal 4: Violations of dual-use export control laws are identified and violators are sanctioned

During FY 2000, the General Accounting Office (GAO) and Office of the Inspector General (OIG) conducted several studies of BXA programs. In accordance with the Government Performance and Results Act (GPRA), GAO and OIG conducted simultaneous studies of BXA's performance measures; BXA also initiated its own routine program to validate these data. These program reviews have identified the need for computer system changes to ensure greater supervisory review of entered data, consistency in data entry, and periodic data downloads to facilitate recreation of reported data; and the need for various administrative actions to improve communication of results and to clarify responsibilities. BXA is implementing computer system changes and is taking recommended steps cited in these reviews.

Discontinued Measures

Number of enforcement outreach visits

	FY 1999	FY 2000	FY 2001	FY 2002
Target	900	900	1,010	Discontinued
Actual	1,199	1,025		
Met/Not Met	Met	Met		

Data Validation and Verification**Data source:** Enforce/Export Control Automated Support System (ECASS)**Frequency:** Annual**Data storage:** Enforce/ECASS**Verification:** BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.**Explanation of Measure**

The FY 2000 target of 900 was met and exceeded, with 1,025 outreach visits completed. The experience gained by the special agents hired in recent years has enabled them to conduct more outreach visits than planned. Our target of 1,010 outreach visits in FY 2001 is more in line with the number completed in FY 2000, but as our newer special agents gain experience and devote more of their energy to developing and completing investigations we should expect the number of outreach visits to gradually decline.

Number of investigations completed

	FY 1999	FY 2000	FY 2001	FY 2002
Target	1,300	1,300	1,225	Discontinued
Actual	1,042	1,260		
Met/Not Met	Not Met	Not Met		

Data Validation and Verification**Data source:** Enforce/Export Control Automated Support System (ECASS)

Case Management Database

Frequency: Annual**Data storage:** Enforce/ECASS Case Management Database**Verification:** BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.**Explanation of Measure**

The FY 2000 target of 1,300 was not met. BXA conducted more complex investigations in FY 2000 than in previous years, but because of their complexity these took longer to complete. The target of 1,225 investigations for FY 2001 is more in line with the actual number of investigations completed in FY 2000.

Number of end-use visits conducted

	FY 1999	FY 2000	FY 2001	FY 2002
Target	680	680	680	Discontinued
Actual	869	965		
Met/Not Met	Met	Met		

Data Validation and Verification

Data source: Enforce/Export Control Automated Support System (ECASS) Access Database

Frequency: Annual

Data storage: Enforce/ECASS Access Database

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Explanation of Measure

The FY 2000 target of 680 was met. The increase in end-use visits was the direct result of the unanticipated increase in the number of exports, particularly of high-performance computers. The FY 2001 target has been maintained at 680, although there are uncontrollable factors that make it difficult to more accurately project the number of end-use visits.

Summary Actions Related to Performance Goal 4

Action Plan

Strategies	Activities
Obtain tips and leads concerning possible violations while educating exporters about how to comply with export control laws and regulations	<ul style="list-style-type: none"> • Target companies for outreach, based on leads and referrals, types of industry, types of exports, regions, and newness of exporters • Conduct outreach visits to industry
Ensure that products are used by the authorized end-user for the authorized end-use	Target end-use checks on shipments of greatest diversion risk and proliferation concern
Determine whether violations of the law have occurred	Investigations are conducted in a timely and efficient manner
Ensure that the export control system works effectively	BXA presents cases to prosecutors for possible initiation of criminal or administrative enforcement proceedings in order to punish past and to deter future violators
Determine the legitimacy of controlled export transactions	BXA conducts visits overseas to educate foreign consignees about U.S. export laws and to share information with foreign export control officials

Cross-Cutting Activities

Intra-DOC

- BXA works with the Chief Counsel for Export Administration on administrative cases developed by BXA's Export Enforcement unit, including its Office of Antiboycott Compliance.
- BXA works with the Bureau of the Census on seminars and data sharing and on shared Shipper's Export Declaration (SED) data. We are also working with Census on the Automated Export System, a joint

venture with other U.S. Government agencies that is seeking to enable direct electronic submission of SED data by the exporter.

Other Government Agencies

- *Departments of Justice and State, U.S. Customs Service, Federal Bureau of Investigation (FBI), U.S. Postal Service, and the intelligence community.* BXA works with these agencies on matters involving law enforcement cooperation, development of leads, intelligence coordination, implementation of export control policy, and coordination of issues such as export license investigations and fastener quality. Field offices and headquarters participate in interagency working groups with the FBI and the Postal Service, and BXA shares data with the U.S. Customs Service via the Treasury Enforcement Computer System (TECS).

Government/Private Sector

None

External Factors and Mitigation Strategies

- Priorities and resources of the Department of Justice and the Chief Counsel for Export Administration directly influence the achievement of this goal. BXA mitigates this situation by targeting investigations effectively, conducting them in a professional manner and presenting them persuasively to prosecutors.
- BXA may also have to rely on other agencies to conduct certain investigative activities. BXA mitigates this by conducting monthly meetings and other communications with other agencies to explore consequences of new export control issues. BXA also diligently seeks opportunities to work cases jointly with sister agencies.
- The increasing volume and complexity of international commerce directly increases the difficulty of applying and enforcing export controls and, more broadly, the difficulty of preventing proliferation; these factors seldom yield to control by the U.S. Government, much less by BXA. BXA mitigates this situation by conducting visits overseas to educate foreign consignees about U.S. export laws and to share information with foreign export control officials

**Performance Goal 5:
Export controls of key nations are strong and effective**

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.2: Promote responsible economic growth and trade while protecting American security

Rationale for Performance Goal

Strong enforcement of U.S. export regulations is critical to protect our security interests, but U.S. national interests can also be jeopardized if sensitive materials and technologies reach nations of concern or terrorists through other nations. For this reason, the Bureau of Export Administration’s strategy also includes promoting the establishment by other nations of effective export control systems. BXA has been assisting the countries of the former Soviet Union and the former Warsaw Pact nations of Central Europe to strengthen their export control and enforcement, and also is extending technical assistance to China, India, and other countries considered export or transit proliferation risks.

Through a series of bilateral and regional cooperative activities, BXA helps the nations with which it works to establish the legal authority and to develop the procedures and requirements necessary to regulate the transfer of sensitive goods and technologies, to enforce compliance with these procedures and requirements, and to promote the industry—government partnership necessary for an effective export control system to meet international standards.

In the nations with which we are working on this agenda, BXA is seeking to gain consensus on what commodities and technologies need to be controlled and to whom controls should apply. We also emphasize the need for adherence to existing nonproliferation guidelines and norms pertaining to nuclear, chemical, biological, and conventional weapons and missile delivery systems.

In BXA-sponsored bilateral and regional cooperative activities, we draw on the expertise of other agencies and of U.S. industry to assist countries to develop export control systems tailored to their own unique circumstances and requirements.

Measure 5a. Number of targeted deficiencies remedied in the export control systems of cooperating transit or exporting nations

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	20
Actual				
Met/Not Met				

Data Validation and Verification

Data Source: Government and nongovernmental publications; statements made by senior foreign government officials; cables; online publications; and academic and intelligence community analyses and assessments.

Frequency: Annual

Data storage: Electronic/paper files

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Explanation of Measure

This is a new performance measure created to more closely align the BXA with evolving departmental goals and objectives.

FY 2000 Program Evaluations for Performance Goal 5: Export controls of key nations are strong and effective

During FY 2000, the General Accountancy Office (GAO) and Office of the Inspector General (OIG) conducted several studies of BXA programs. In accordance with the Government Performance and Results Act (GPRA), GAO and OIG conducted simultaneous studies of BXA's performance measures; BXA also initiated its own routine program to validate these data. These program reviews identified the need for computer system changes to ensure greater supervisory review of entered data, consistency in data entry, and periodic data downloads to facilitate recreation of reported data; and the need for various administrative actions to improve communication of results and to clarify responsibilities. BXA is implementing computer system changes and is taking recommended steps cited in these reviews.

OIG conducted a review of BXA's Nonproliferation Export Control Cooperation Program, recommending minor improvements to the management of the program. BXA has already taken steps to implement these recommendations. We have additionally initiated a program evaluation of our Nonproliferation and Export Control Model Country Program, scheduled to be completed in FY 2001.

Discontinued Measures**Number of nonproliferation and export control international cooperative exchanges**

	FY 1999	FY 2000	FY 2001	FY 2002
Target	42	30	37	Discontinued
Actual	45	39		
Met/Not Met	Met	Met		

Data Validation and Verification

Data source: Paper Records

Frequency: Annual

Data storage: Office Files

Verification: BXA's Office of Planning, Evaluation, and Management will validate the performance measure data against supporting documentation.

Explanation of Measure

The FY 2000 target of 30 was met. This measure will be discontinued in FY 2002 for external reporting. Due to budget constraints, we conducted more bilateral exchanges in FY 2000 and fewer of the expensive, time-consuming multilateral exchanges that originally were projected for FY 2000. The larger target for FY 2001 reflects the expectation that we would have additional personnel for this period; those additional personnel, however, are not yet available to us.

Summary Actions Related to Performance Goal 5

Action Plan

Strategies	Activities
Assist key cooperating transit or exporting nations to remedy deficiencies in critical components of their national export control systems	BXA will conduct bilateral and multilateral/regional technical exchanges with those nations.

Cross-Cutting Activities

Intra-DOC

- The International Trade Administration, including its U.S. and Foreign Commercial Service, and the Chief Counsel for Export Administration make invaluable contributions of their expertise, knowledge, and abilities to the Bureau of Export Administration's program to assist key nations to establish strong, effective export controls.

Other Government Agencies

- Various nongovernmental and academic organizations of individual nations.
- *U.S. Customs Service and the Nonproliferation Center.* BXA coordinates with these agencies on export control cooperation technical exchanges and activities with other nations.
- *Departments of State, Defense, Energy, and Justice; U.S. Customs, and the Federal Bureau of Investigation (FBI).* BXA works with these agencies to coordinate assessment of the international export control system and to prioritize, design, and fund programs in which interagency resources are focused on specific national and regional issues.

Government/Private Sector

None

External Factors and Mitigation Strategies

- BXA must continue to rely on other agencies to fund the technical exchanges and other activities relating to international export control cooperation. The process of obtaining this funding while satisfying detailed donor agency requirements is extremely cumbersome and fraught with uncertainty and delay, making some

inefficiencies unavoidable. BXA mitigates this by pursuing multiple proposals with multiple potential donor agencies.

- Two factors that drive the scheduling of technical exchanges are: 1) the interagency coordination process that yields agency experts to participate in the exchanges and 2) the priorities of the countries involved. BXA mitigates these factors by conducting close and frequent consultations with pertinent U.S. agencies and client nation officials.
- Unforeseeable shifts in U.S. policy (e.g., suspension of activity with Belarus) or in the policies of client nations may occasionally preclude execution of funded, scheduled events or participation of certain national invitees. BXA mitigates these situations by designing fewer events that appeal to a broader range of potential participants. BXA is also very proactive in working with service providers to minimize cancellation costs.

**Performance Goal 6:
The nation’s various independent and interdependent infrastructure components are secured in accordance with an integrated plan**

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.2: Promote responsible economic growth and trade while protecting American security

Rationale for Performance Goal

The information revolution and the introduction of the computer into virtually every area of our society has changed how our economy works, how we provide for our national security, and how we structure our everyday lives. We are now unfortunately facing an urgent need to protect our government’s own critical assets from cyber attack, and must remedy the insecurities inherent in our information systems. To succeed, government and the private sector must work together in a partnership unlike any we have seen before.

Presidential Decision Directive (PDD) 63 directed the establishment within BXA of the Critical Infrastructure Assurance Office (CIAO) to coordinate a national effort to address the question of the integrity of our nation’s information infrastructure. CIAO updated the National Plan for Information Systems Protection and is now seeking to strengthen and build on that work, increasing the participation of other federal agencies in the analysis of critical dependencies and interdependencies between systems, pursuing further outreach through a partnership with the private sector, and seeking greater involvement of state and local governments. These efforts will better enable the federal government to coordinate with the private sector and encourage the development and implementation of a comprehensive plan to protect our information infrastructure.

Measure 6a. Number of Agency plans implemented within the framework of the National Critical Infrastructure Protection Plan

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	4
Actual				
Met/Not Met				

Data Validation and Verification

Data Source: Agency Plans

Frequency: Annual

Data storage: Paper Files

Verification: BXA’s Office of Program, Evaluation, and Management will validate the performance measure data against supporting documentation.

Explanation of Measure

This is a new performance measure created to more closely align with evolving departmental goals and objectives.

FY 2000 Program Evaluations for Performance Goal 6: The nation's various independent and interdependent infrastructure components are secured in accordance with an integrated plan

During FY 2000, the General Accounting Office (GAO) and Office of the Inspector General (OIG) conducted several studies of BXA programs. In accordance with the Government Performance and Results Act (GPRA), GAO and OIG conducted simultaneous studies of BXA's performance measures; BXA also initiated its own routine program to validate this data. These program reviews identified the need for computer system changes to ensure greater supervisory review of entered data, consistency in data entry, and periodic data downloads to facilitate recreation of reported data; and the need for various administrative actions to improve communication of results and to clarify responsibilities. BXA is implementing computer system changes and is taking recommended steps cited in these reviews.

Discontinued Measures

None

Summary Actions Related to Performance Goal 6

Action Plan

Strategies	Activities
Facilitate Federal Government coordination of the development of a National Plan for Information Systems Protection	Strengthen planning activities with other federal agencies in the analysis of critical dependencies and interdependencies within their systems

Cross-Cutting Activities

Intra-DOC

- BXA works with the *National Telecommunications and Information Administration (NTIA)* to assist NTIA in its capacity as lead agency for the information and communications sector of the national infrastructure.
- BXA works with the Departmental Chief Information Office in activities relating to determining the dependencies and interdependencies of federal agency systems.

Other Government Agencies

- BXA operates as a de facto interagency planning office to support the National Security Council in coordinating U.S. Government programs designed to protect the nation's critical infrastructure.

- Through the Federal Critical Infrastructure Coordinating Group, BXA serves as the focal point for all agencies engaged in developing a national plan for protecting the nation's critical and interdependent infrastructures.
- Through various memoranda of understanding and the assignment of detailees from other agencies, BXA is working with federal agencies including the Departments of Treasury, Health and Human Services, and Energy and the Social Security Administration to identify dependencies and interdependencies within and among their critical internal information systems.
- BXA coordinates its role with other agencies through ongoing interactions with the Federal Bureau of Investigation's National Infrastructure Protection Center (NIPC), GSA's FedCIRC program, and efforts elsewhere in government. Overall, BXA provides a focus for interagency planning, with other entities fulfilling a variety of operational responsibilities in preventing, responding to, or managing the consequences of attacks on our critical information infrastructure.

Government/Private Sector

- Through its partnerships with the U.S. Chamber of Commerce, the Institute of Internal Auditors (IIA), and other professional groups, BXA is assisting the private sector to strengthen its involvement in developing and implementing the National Critical Infrastructure Protection Plan.
- Through various state bar associations, BXA is working to engage the legal community in assessing the legal ramifications of addressing infrastructural vulnerabilities.
- Through a Joint Project Agreement with James Madison University, BXA supported the National Colloquium for Information Systems Security Education (NCISSE) in its effort to encourage educational institutions to incorporate information systems security courses in their curricula. BXA has also worked extensively with the Chief Information Officers Council, Office of Personnel Management and other agencies to promote better security practices.

External Factors and Mitigation Strategies

- The CIAO was created by President Clinton through Presidential Decision Directive 63. PDD 63 provides a sunset date for the CIAO of September 30, 2001. The question of whether or not to extend the CIAO, and in what format, is the most important external factor affecting the CIAO. The final decision will in all probability be linked to broader issues of overall policy toward Critical Infrastructure Protection, cyber-security, and other technology questions.
- Other factors affecting the CIAO are human and budgetary resources. During the past year, the CIAO's resources have contracted significantly. Since most of the senior CIAO subject-matter experts are unreimbursed detailees from other agencies, the CIAO's viability depends upon the willingness of these agencies to provide these resources. At the current budget request level, the CIAO's activities will remain focused on major current programs, such as Project Matrix and the public-private outreach effort, as well as staff support for the National Security Council.



Minority Business Development Agency

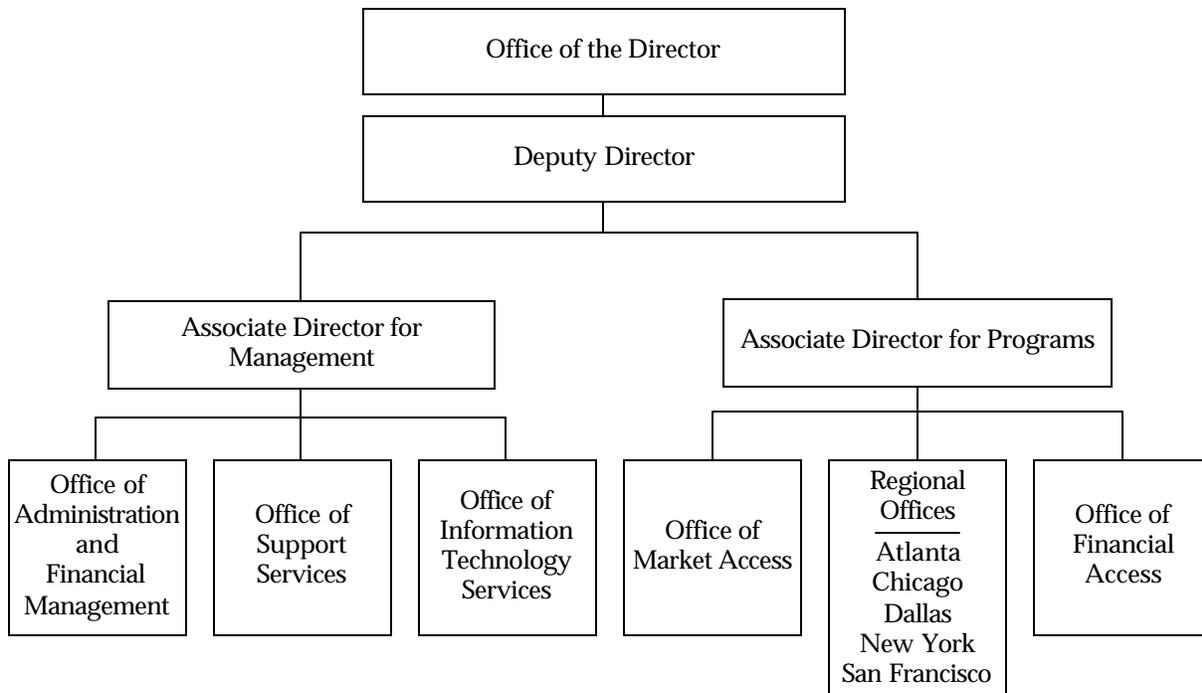
Mission Statement

The Minority Business Development Agency seeks to promote private and public sector investment in minority businesses.

As the only Federal agency mandated to encourage the growth and development of minority-owned businesses, MBDA provides assistance to socially and economically disadvantaged groups who own or wish to start or expand their own businesses, including, African Americans, Native Americans, Puerto Ricans, Spanish-speaking Americans, Eskimos, Aleuts, Asia Indians, Asian Pacific Americans and Hasidic Jews. MBDA provides assistance to these groups with access to the marketplace and financing, management and technical assistance, education and training.

MBDA's headquarters in Washington, D.C., provides centralized leadership for the bureau's program. MBDA has five regional offices (Atlanta, Chicago, Dallas, New York and San Francisco) and four district offices (Boston, Los Angeles, Miami and Philadelphia) where staff oversees assistance and services in multi-state regions. Within these regions MBDA funds 42 Minority and Native American Business Development Centers, seven Minority Business Opportunity Committees, and seven Business Resource Centers. The following is an organizational chart for MBDA:

Organizational Structure



Priorities

Departmental

Using the Department of Commerce's goal of encouraging and supporting economic expansion, MBDA has initiated and continues to initiate ways to provide the information and the framework that will enable minority-owned businesses to operate efficiently and equitably. These initiatives include on-line business development tools, such as the Resource Locator that provide valuable information on emerging markets and other topics of interest to minority businesses. Other on-line systems have been developed that provide the information and tools for minority businesses in areas of contract and procurement opportunities, capital access, management and technical assistance and e-commerce education.

Bureau

Using the Internet as a tool, MBDA is broadening its reach to the minority business community through electronic commerce by promoting and providing information systems technology that assists minority businesses. MBDA electronic initiatives are allowing MBDA's services to be accessible to the entire minority business community. MBDA is also developing a portal to its electronic initiatives. The portal will be user friendly, enabling the user to obtain business information expeditiously.

Management Challenges

As an agency with a modest budget but a nationwide mission to support a growing need, MBDA seeks to implement a new concept to deliver business development services to the minority business community, by placing more emphasis on the dissemination of business information via the Internet. As a result, the following initiatives were developed:

- The Phoenix-Opportunity database was developed and implemented to electronically match minority firms with business opportunities.
- The Performance database was implemented to address Government Performance and Results Act (GPRA) concerns. The database was designed to capture performance results from MBDA's network of funded providers of business development services. The system, if needed, can capture program results on a daily basis. Included in the data captured is the number of clients assisted, the number of client service hours, the amount of approved financial packages and amount of approved procurements.
- The Geographic Business Information System (GBIS) was developed and is currently being tested. GBIS allows minority firms to evaluate prospective market locations and resources within a given radius.
- The On-line Virtual Business centers are being developed to assist MBDA's small-funded network of business development providers to deliver services to the minority business community via the Internet. The On-line centers will contain web-based information organized around a particular market or economic sector. Some of the centers that have been developed are franchising, aquaculture, manufacturing technology, and international trade.

Although these initiatives have been either implemented or nearly ready to be implemented, the challenge persists because the agency now must not only find ways to keep the initiatives up and running but must keep the content current and usable. Among other approaches, MBDA plans to address this challenge through a high-speed network strategy to link all funded network providers to a single virtual organization via the Minority Business Internet Portal (MBIP). MBDA's ultimate goal is to use electronic tools in assisting minority businesses to impact the gross national product of the American economy.

MBDA is developing and evaluating the automation of its administrative activities. Based on the discussions to develop electronic tools, the agency is trying to develop the following:

- Automated Budget Monitoring System to interact with an accounting system to provide real-time reporting for agency managers.
- Administrative Information Management System that would include content information on processing obligating and other documents, regulations and agency policy. This information will be in the agency's Intranet to be used by staff.
- IT (Information Technology) Security System that would preclude exposure to internal or external risks.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1: Improve opportunities for minority-owned businesses to have access						
Measures	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Dollar value of contracts awarded to assisted minority-owned businesses	0.6B	0.6B	0.6B	1.2B	0.7B	0.7B
Performance Goal 2: Improve the opportunities for minority-owned businesses to pursue financing						
Number of financial packages received by assisted minority-owned businesses	858	755	858	556	925	925
Dollar value of financial packages to assisted minority-owned business	0.7B	0.7B	0.9B	0.2B	1.0B	1.0B

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY 2000 Request	FY 2000 Actual	FY 2001 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1						
Total Funding	15.0	15.0	16.1	14.8	14.5	15.2
*IT Funding	0.9	0.9	0.9	0.9	0.9	1.2
FTE	58	74	61	74	74	74
Performance Goal 2:						
Total Funding	13.7	13.0	13.8	13.8	13.8	13.7
*IT Funding	0.6	0.6	0.6	0.8	0.8	0.8
FTE	38	46	40	46	46	46
Grand Total						
Total Funding	28.7	28.0	29.8	28.6	28.3	28.9
Reimbursable**	0.3	0.4	0.3	0.5	0.5	0.5
*IT Funding	1.5	1.5	1.5	1.7	1.7	2.0
FTE	96	120	101	120	120	120

*IT Requirements: Operations, maintenance and reengineering. IT Funding included in Total Funding

** Reimbursable funding included in Total Funding

Skill Summary:

Marketing, Finance, Research, IT/Internet

FY 2002 Performance Goals

Performance Goal 1: Improve Opportunities for Minority-Owned Businesses to Have Access to the Marketplace

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

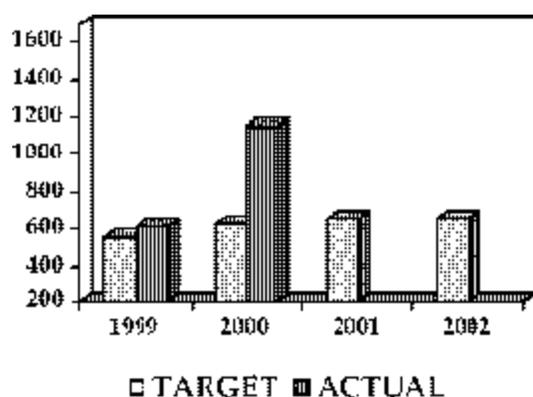
Objective 1.1: Provide the Infrastructure to enable the participation of all Americans in the new economy.

Rationale for Performance Goal

The Minority Business Development Agency (MBDA) will use electronic tools to increase the availability of business development resources to all minority-owned firms, regardless of size, industry type, or geographic location, and to facilitate the expansion of ready-to-grow firms in the domestic, international, and new technology growth markets. In addition, we are developing a high-speed network strategy to link all Minority Business Development Centers (MBDC) into a single virtual organization via Minority Business Internet Portal (MBIP). Our goal is to create a state-of-the-art environment to deliver to minority businesses continuously updated information, access to resources anywhere in the country, and the best available assistance in any given subject area at any time. Using this strategy, the agency expects to increase our client base five-hundredfold, from 6,000 to 300,000 and projects to assist the minority business community to obtain more than \$10 billion in procurement and financing.

Measure 1a: Dollar value of contracts awarded to assisted minority-owned businesses

	FY 1999	FY 2000	FY 2001	FY 2002
Target	0.6B	0.6B	0.7B	0.7B
Actual	0.6B	1.2B		
Met/Not Met	Met	Met		



Data Validation and Verification:

Data source: Direct secure (SSL) Extranet link from MBDA HQ to client service delivery sites.

Frequency: Collect real-time, report quarterly

Data storage: The Performance Database Management System running on a clustered (fail-over) SQL platform.

Verification: A 100% client verification survey

Data Limitations: Responsiveness to the client verification survey.

Actions to be taken: Follow-up notices to unresponsive clients.

Explanation of Measure

Target Met. The dollar value of contracts awarded is an important measure because it provides information on minority-owned businesses assisted by MBDA. The information highlights the success of minority-owned businesses obtaining contracts to provide goods and services domestically and abroad. As the dollar value of contracts awarded increases, minority-owned businesses will have a greater opportunity to enhance their contribution to total business receipts.

FY 2000 Program Evaluation for MBDA Performance Goal 1: Improve opportunities for minority-owned businesses to have access to the marketplace

Fiscal Year 2000 was an exceptional year for MBDA because the dollar value of contracts awarded doubled. While this was not anticipated, MBDA can credit these results to an abundance of procurement opportunities in the western section of the country. Although these are welcomed results, MBDA does not foresee the level of activity for FY 2000 continuing. After reviewing this program it has been determined that it is best to maintain the current targets set for FY 2002. At this juncture MBDA's vision and ultimate goal is to increase minority business's percentage of gross business receipts and its percentage of the total business population.

Discontinued Measure:

None.

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
Promote the increased use of e-commerce by minority-owned firms.	<ul style="list-style-type: none"> • Match firms and opportunities electronically (Phoenix and Opportunity Database System) • Train business executives in e-commerce (E-Commerce Course)
Provide information and management and technical assistance nationwide.	<ul style="list-style-type: none"> • Locate business development resources on-line (Resource Locator) • Learn how to start and grow a business on-line (On-line Business Development Center). • Find information about growth industries on-line (Virtual Business Centers)
Provide direct management and technical assistance through a network of business organizations.	<ul style="list-style-type: none"> • Fund a network of organizations to provide personalized management and technical assistance (Business Development Centers) • Fund a network of organizations to identify contracting opportunities (Minority Business Opportunity Committees) • Provide sophisticated market research to locate new customers and stores (Market Analyst)
Provide leadership and services that advocate entry into growth markets.	<ul style="list-style-type: none"> • Provide information and electronic tools to gain access to the Nation's fastest growing consumer segment (Emerging Minority Marketplace) • Sponsor a major national event where minority businesses, corporations and policy-makers can develop solutions to business problems (Minority Enterprise Development (MED) Week)

Cross-Cutting Activities

Intra-DOC

MBDA works with *International Trade Administration (ITA)* to assure that minority-owned businesses are included in Department trade missions and other international trade opportunities and have access to the Management and Technical Assistance services (M&TA) of the Export Assistance Centers.

MBDA works with the *National Institute of Standards and Technology (NIST)* and *National Oceanic and Atmospheric Administration (NOAA)* to include minority-owned businesses in programs involving new and emerging technology such as aquaculture and manufacturing technology and have access to M&TA services of the Manufacturing Extension Program Centers.

MBDA is working with the *Census Bureau* to expand survey of minority-owned businesses annually and conduct research on the Emerging Minority Marketplace to provide market information about the fastest growing consumer segment.

MBDA is working with the *Economic Development Administration (EDA)* to move minority-owned businesses into its high technology business incubators.

Other Government Agencies

MBDA works with the *Small Business Administration (SBA)* to assure that minority-owned small businesses benefit from its existing management and technical assistance services available to other businesses.

MBDA works with the *Export-Import Bank* on minority trade initiatives to have access to export financing and export markets.

MBDA works with *US Agency for International Development (USAID)* on referral of trade opportunities to minority businesses to have access to export markets.

Government/Private-Sector

None.

External Factors and Mitigation Strategies

- Emergence of the Digital Economy—Anecdotal evidence indicates that minority businesses are lagging in their adoption of e-commerce technologies. MBDA has adopted a “leadership by example” strategy of changing its own internal culture to adapting programs and service delivery to electronic technologies.
- Changing Demographics—90 percent of the net growth in the U.S. population over the next 50 years will be in minority groups. This rapid change in demographics presents a lucrative consumer marketplace for minority firms. But they first must become aware of this change and adapt their business practices. MBDA has commissioned the Census Bureau to develop information about this marketplace and its purchasing power. New electronic on-line market research tools are being developed to bring this information to minority firms and it will be the focus of the year 2001 MED Week.

- **New Business Practices**—Corporate purchasing practices are undergoing a radical change that requires minority suppliers to alter their strategies. Supply-chain management, ISO 9000 and business-to-business e-commerce demand that minority businesses also adopt e-commerce technology, be willing to partner with other firms and reengineer their processes. MBDA will inform and convince minority firms of the need for these changes and provide access to the management and technical assistance resources of new strategic partners such as the Electronic Commerce Resource Centers and Manufacturing Extension Program Centers

Performance Goal 2: Improve Opportunities for Minority-Owned Businesses to Pursue Financing

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

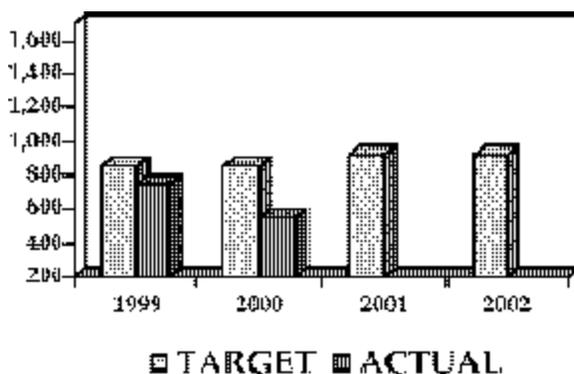
Objective 1.1: Provide the infrastructure to enable the participation of all Americans in the new economy.

Rationale for Performance Goal

Historically capital access programs for minority businesses have focused on debt capital guarantee programs from the Federal Government. However, a Milken Institute study indicates the demand for equity capital far exceeds the demand for debt capital. The Milken Institute estimates that the demand for equity capital exceeds \$144 billion per year, while debt-financing demands are approximately \$1 billion. As the minority business community continues to grow there will be skyrocketing capital demand over the next 20 years. MBDA is working to address these difficulties by collecting and assessing information about the financing needs of the minority business community. The results will be disseminated to financial institutions, policy-makers and the minority business community. Additionally, MBDA is exploring innovative strategies and instruments to increase capital flow to minority communities along with working in public/private partnerships.

Measure 2a: Number of financial packages (loans) received by assisted minority-owned businesses

	FY 1999	FY 2000	FY 2001	FY 2002
Target	858	858	925	925
Actual	755	556		
Met/Not Met	Not Met	Not Met		



Data Validation and Verification:

Data source: Direct secure (SSL) Extranet link from MBDA HQ to client service delivery sites.

Frequency: Collect real-time, report quarterly.

Data storage: The Performance Database Management System running on a clustered (fail-over) SQL platform.

Verification: A 100% client verification survey.

Data Limitations: Responsiveness to the client verification survey.

Actions to be taken: Follow up notices to unresponsive clients.

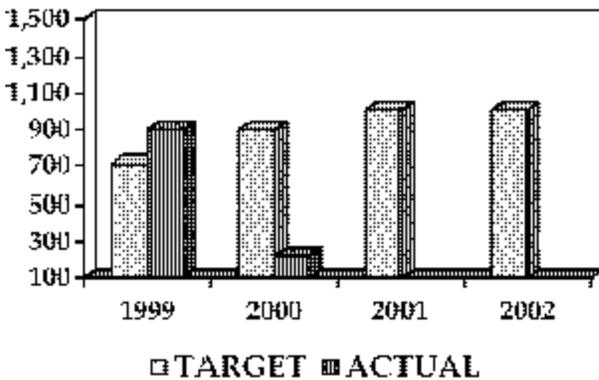
Explanation of Measure

Target not met. The number of financial packages is an important measure because it shows the number of financial packages from minority-owned businesses assisted by MBDA.

The number and amount of financial packages is directly related to the economy. Any fluctuation in the country’s economy has a tendency to tighten the financing market resulting in delays and denials of financing requests. Although the economy affected the financing goals, MBDA continues to work with banking and other financial institutions to assist minority businesses in obtaining financing. Considering the economy, MBDA programs still generated more than \$126 for every Federal dollar expended. MBDA is exploring other areas to assist in obtaining its’ targeted goals. The use of electronic tools in presentations to financing institutions may assist businesses in obtaining financing. Limited resources may make this tool especially critical in helping minority businesses obtain financing.

Measure 2b: Dollar value of financial packages (loans) to assisted minority-owned business

	FY 1999	FY 2000	FY 2001	FY 2002
Target	0.7B	0.9B	1.0B	1.0B
Actual	0.7B	0.2B		
Met/Not Met	Met	Not Met		



Data Validation and Verification:
Data source: Direct secure (SSL) Extranet link from MBDA HQ to client service delivery sites.
Frequency: Collect real-time, report quarterly.
Data storage: The Performance Database Management System running on a clustered (fail-over) SQL platform.
Verification: A 100% client verification survey
Data Limitations: Responsiveness to the client verification survey.
Actions to be taken: Follow up notices to non-responsive clients.

Explanation of Measure

Target not met. The dollar value of financial packages is an important measure because it shows how much the minority-owned businesses assisted by MBDA were able to get financing to get started or to grow. During FY 2000 a fluctuation of the economy resulted in the tightening of credit standards causing loan processing delays and denials. MBDA also included in the target figure the amount and numbers estimated for electronic matching of opportunities with the capability of minority vendors. Although MBDA had hoped to count the matching numbers in the overall target, issues of confirming the numbers have yet to be resolved. Although electronic matching of capabilities to opportunities is being performed, MBDA will not use the figures without being able to confirm the accuracy. The economy and unresolved financial package confirmation issues were the two factors that had a tremendous impact on the actual numbers for FY 2000.

FY 2000 Program Evaluation for MBDA Performance Goal 2: Improve opportunities for minority-owned businesses to pursue financing

In FY 2000, MBDA failed to meet the target for the dollar value of financial packages or the number of financial packages. To help to improve the agency's performance in this area MBDA is reviewing the methods by which data for these measurements are gathered. During the coming year, MBDA's goal is to confirm the electronic matching capabilities of opportunities. Although the opportunity matching is currently being performed, the accuracy of this information can not be properly confirmed at this date.

Discontinued Measures

None.

Summary Actions Related to Performance Goal 2

Action Plan

Strategies	Activities
Increase access to capital for minority firms by providing electronic information and management and technical assistance to firms seeking capital.	Create capital access website providing information on applying for financing; provide personalized feedback to minority firms via MBDA's Business Development Centers and the Internet that will increase the likelihood of obtaining capital.
Enhance the ability of minority firms to apply for debt capital by providing a streamlined, electronic application process.	Capital access website; develop partnerships with national financial institutions (e.g. Money Store, Bank of America, First Union Bank, etc.) that focused on penetrating the minority business community.
Educate the minority business community on the requirements of applying for capital, including necessary documentation, the importance of credit scoring, etc.	Capital access website; develop short brochure detailing how to apply for a business loan.
Produce periodic reports on the capital needs of minority businesses and disseminate widely.	Produce study on the capital needs of minority businesses; disseminate study to financial institutions, the policymaking community and minority businesses.
Advocate for increased access to equity and debt capital with Federal and state governments, financial institutions, and the minority business community.	Policy forum and ongoing meetings on innovative strategies to increase access to capital for minority businesses

Cross-Cutting Activities

Intra-DOC

None.

Other Government Agencies

MBDA works with the *Small Business Administration (SBA)* in a variety of areas, including: providing information about SBA loan guarantee programs to MBDA's clients and funded network (BDCs); in connection with the Department of Commerce's Capital Access Task Force and Minority Business Coordinating Council; in developing the New Markets program begun under the Clinton Administration; and on pilot securitizations of small-business and minority business loans that are occurring in California. In addition, MBDA has collaborated with the *National Economic Council*, the *Department of the Treasury*, the *Office of the Comptroller of the Currency*, the *Federal Reserve* and the *Department of Housing and Urban Development* on the New Markets program and the Department of Commerce's Capital Access Task Force. Finally, MBDA has worked closely with the California State Treasurer's office on the pilot securizations in California.

Government/Private-Sector

None.

External Factors and Mitigation Strategies

- **Current Factor:** The overall health of the economy and prevailing interest rates may influence the number and dollar value of financial packages that can be obtained by all businesses, including minority-owned businesses.
- **Current Strategy:** MBDA will make every effort to ensure that information on financing opportunities is made available to minority-owned businesses. MBDA will make extensive use of the Internet along with electronic presentations in this effort. Moreover, MBDA will promote and help set up strategic alliances and joint ventures to provide financing opportunities for minority-owned businesses.



National Oceanic and Atmospheric Administration

Mission Statement

The National Oceanic and Atmospheric Administration's mission is to describe and predict changes in the Earth's environment, and conserve and manage wisely the Nation's coastal and marine resources so as to ensure sustainable economic opportunities.

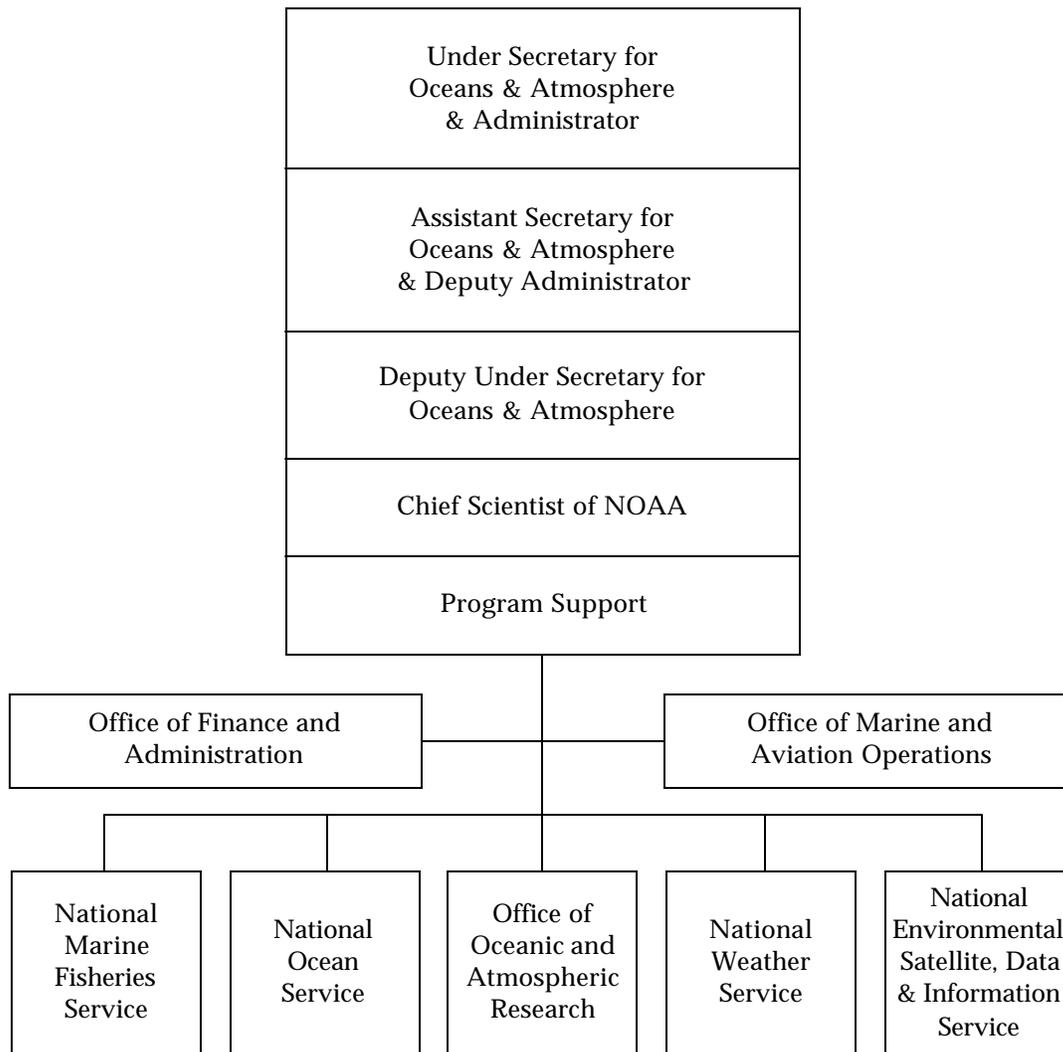
The National Oceanic and Atmospheric Administration (NOAA) conducts research to develop new technologies, improve operations, and supply the scientific basis for managing natural resources and solving environmental problems. NOAA's comprehensive system for acquiring observations—from satellites and radar to ships and submersibles—provides the quality data and information needed for the safe conduct of daily life and the efficient pursuit of the complex activities of modern society. Common products and services include weather and climate warnings and forecasts, environmental technologies, marine fisheries statistics and regulations, nautical charts, assessments of environmental changes, and hazardous materials response information. These capabilities, products, and services support the domestic security and global competitiveness of the United States, and they affect the lives of nearly every citizen.

NOAA provides the resources to maintain essential services, facilitate progress in key investment areas of national interest, and address statutory obligations. To provide these services, NOAA needs to strike an appropriate balance among the environmental assessment, prediction, and stewardship needs of the Nation. This requires management of natural resources and assessment and prediction of the Earth's environment. NOAA's efforts are key components of the U.S. Department of Commerce's (DOC) strategic plan and contribute significantly to achieving DOC's strategic goals.

The challenge of investing strategically in the Nation's future is accompanied by the requirement of effective agency management, to identify and realize opportunities for savings, and to focus on what matters to Americans. NOAA envisions a 21st century in which environmental stewardship, assessment, and prediction serve as keystones to enhancing economic prosperity and quality of life, more effectively protecting lives and property, and strengthening of the U.S. balance of trade. This vision depends on NOAA actions that achieve the following:

- Create and disseminate reliable assessments and predictions of weather, climate, space environment, ocean and living marine resources, and nautical and geodetic phenomena and systems.
- Implement integrated approaches to environmental management and ocean and coastal resources stewardship.
- Ensure continuous operational observing capabilities, including buoys, satellites, ships, submersibles, and radar.
- Build and use new information networks such as investment in state-of-the-art computing capabilities.
- Develop public-private, interagency, and international partnerships for the expansion, transfer, and archiving of environmental knowledge.
- Invest in scientific research and the development of new technologies to improve current operations and prepare for the future.
- Improve NOAA's abilities to serve its customers and forge stronger ties with its partners and stakeholders.

Organizational Structure



Priorities

Department-Wide

- *Natural Resources*— In support of this program, NOAA will work to reduce overfishing and overcapitalization of the Nation’s fishery resources, better manage protected and threatened resources, protect coastal habitats from continued loss and degradation, explore new frontiers in ocean research, conduct more research into the effects of climate changes on the oceans and atmosphere, and promote safe navigation. NOAA will also work toward improving short-term weather, water, and climate forecast and warning products and services, as well as improving its ability to predict longer term climate variability.
- *Minority Serving Institutions*—NOAA contributes to the Department’s priority to support Minority Serving Institutions (MSI). This program cuts across all of NOAA’s strategic goals and helps train students in sciences that serve NOAA’s mission.

Bureau

- *Natural Disaster Reduction*—NOAA contributes to this priority by providing weather and climate warnings and forecasts to the general public. The National Weather Service (NWS); the National Environmental Satellite, Data and Information Service (NESDIS); and the Office of Oceanic and Atmospheric Research (OAR) acquire and process hydrometeorological, ocean, and space-based observations; conduct weather and climate research; and maintain and makes available to public and private concerns historical environmental data.
- *Sustain Healthy Coasts and Resource Protected Species*—In this program, NOAA addresses the most serious challenges facing the Nation’s coasts and oceans. NOAA will work toward enhancing the 12 National Marine Sanctuaries that permit NOAA to fulfill its mission of marine resource protection and management. This program supports maintenance and protection of our critical estuaries, as well as mapping and monitoring of fragile coral reefs. NOAA will work to address the effects of polluted runoff in coastal areas, implement priority recommendations of the U.S. Coral Reef Task Force, enhance the recovery of threatened and endangered coastal salmon, and provide grants to coastal States involved in offshore oil and gas production. In addition, NOAA is a key player in the Federal Government’s Clean Water and South Florida Ecosystem Restoration programs.
- *Climate Observations and Services*—During recent years, there has been a growing demand from emergency managers, the private sector, the research community, decision-makers in the United States, international governmental agencies, and the general public to provide timely data and information about climate variability, climate change, and trends in extreme weather events. The economic and social needs for continuous, reliable climate data and longer range climate forecasts have been clearly demonstrated. This program supports the transition of our current research efforts and knowledge into operational systems and products. To do this, NOAA will focus its efforts to address key deficiencies in its observation and data management systems, implement new ocean observations, and develop a broad spectrum of new forecast products.
- *Sustainable Fisheries*—NOAA will work to make progress in preventing overfishing and overcapitalization. Sustainable Fisheries includes programs that, among a host of other activities, will expand observer programs, improve fishery information technology, provide targeted improvements in stock assessment, increase days at sea, increase both scientific and vessel crew staffing, improve fisheries enforcement, and address specific habitat issues.
- *America’s Ocean Future*—To implement the 1999 interagency report, “Turning to the Sea: America’s Ocean Future,” NOAA will continue to focus on necessary actions designed to explore, protect, and restore America’s vital ocean resources. Highlighting the important role the ocean plays in the daily lives of all Americans, new measures were introduced to promote new scientific insight into the oceans, sustain use of fisheries and other marine resources, and provide new opportunities for economic growth.
- *Infrastructure*—NOAA’s infrastructure has a direct impact on its ability to satisfy the demands of its mission, and the condition and readiness of this infrastructure have consequential effects on human welfare, economic well-being, and the advancement of the state of science. NOAA will continue to revitalize its infrastructure in preparation for the unique challenges of the new millennium. Within its infrastructure, NOAA proposes investments in people and corporate systems, data collection, and facilities.

Management Challenges

In fiscal year (FY) 1999, NOAA received an unqualified audit opinion, no material weaknesses, four reportable conditions, and seven management comments. In FY 2000, NOAA filed corrective action plans for the reportable conditions and management comments. An independent public accounting firm will track the corrective activities contained in these plans.

NOAA’s progress indicates a commitment to preparing high-quality, reliable, and meaningful financial statements. Remaining fiscal internal controls and the production of recurring financial reports and statements

can only be addressed with the replacement of NOAA’s current financial system. To this end, NOAA is proceeding with the implementation of the Commerce Administrative Management System (CAMS).

In FY 2000 NOAA appointed a chief information officer to oversee the management of NOAA’s planning and implementation of information technology, provide NOAA-wide information technology services, coordinate and leverage Line Office information technology, and advise senior management about opportunities for improving NOAA mission execution through adoption of advanced information technology (IT).

Therefore, NOAA is (1) developing an enterprise IT architecture, (2) strengthening IT security through enhanced training and technology, (3) improving service delivery using IT and implementing the Government Paperwork Elimination Act and Section 508 accessibility standards to make its information resources more readily available and to reduce the burden on the public while ensuring these resources are accessible to people with disabilities, and (4) identifying opportunities to increase efficiency by leveraging and consolidating IT resources.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

NOAA’s mission is to describe and predict changes in the Earth’s environment and conserve and manage the Nation’s coastal and marine resources to ensure sustainable economic opportunities. NOAA continues to develop new technologies, improve operations, and supply the scientific basis for managing natural resources and solving environmental problems. The FY 2002 request reaffirms NOAA’s role by providing resources to maintain essential service, facilitate progress in key investment areas of national interest, and address statutory obligations. This request ensures an appropriate balance among the environmental assessment, prediction, and stewardship needs of the Nation.

Performance Goal 1: Build Sustainable Fisheries						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Fewer overfished fisheries (25% by 2005)	-4%	-4%	-8%	-7%	1%	6%
Stocks having sufficient essential fish habitat (60% by 2005)	New	New	10%	10%	40%	40%
Increase in employment in non-capture fishing and other sectors in fishing communities (9% by 2005)	New	New	1%	N/A ¹	2%	TBD*
Increase in economic contribution of sustainable aquaculture to Gross Domestic Product	New	New	2%	N/A ¹	4%	7%

* For FY 2002, the targets will be determined based on FY 2000 actuals available in July 2001.

¹ Data not available prior to release of this report.

Performance Goal 2: Sustain Healthy Coasts						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of acres of coastal habitat restored (cumulative)	43,000	43,000	55,000	45,000	70,000	TBD**
Number of U.S. coastal regions with reduced introductions and impacts on non-indigenous species (total of 6 regions)	1	0	1	1	2	2
Percent of U.S. shoreline and inland areas with improved ability to identify extent and severity of coastal hazards	5%	5%	14%	6%	6%	TBD**

** The target for FY 2002 is currently under review pending the recalibration of this performance measure.

Performance Goal 3: Recover Protected Species						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Reduce the probability of extinction of 5 out of 23 threatened species	New	New	New	New	2	2
Mortality of strategic marine mammal stocks incidental to commercial fishing operations in 6 fisheries will be at insignificant levels	New	New	New	New	2	6
Reduce the probability of extinction of 8 endangered species (cumulative)	New	New	New	New	3	6

Performance Goal 4: Advance Short-term Warnings and Forecasts						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Increase lead time (minutes), accuracy (%), and decrease false alarm rate (FAR) (%) for severe weather warnings for Tornadoes	Lead time – 11 min Accuracy – 70% FAR – 72%	Lead time – 12 min Accuracy – 70% FAR – 72%	Lead time – 12 min Accuracy – 70% FAR – 65%	Lead time – 10 min Accuracy – 63% FAR – 76%	Lead time – 13 min Accuracy – 68% FAR – 73%	Lead time – 13 min Accuracy – 70% FAR – 70%
Increase lead time (minutes) and accuracy (%), for severe weather warnings for Flash Floods	Lead time – 54 min Accuracy – 85%	Lead time – 41 min Accuracy – 83%	Lead time – 55 min Accuracy – 86%	Lead time – 43 min Accuracy – 86%	Lead time – 45 min Accuracy – 86%	Lead time – 48 min Accuracy – 86%
Increase lead time (hours) of warnings for Hurricanes	New	19 hours	20 hours	N/A ²	21 hours	22 hours
Increase accuracy (%) of 3-day forecast of precipitation	New	New	20%	16%	22%	24%
Increase lead time (minutes) and accuracy (%), for warnings for Winter Storms	New	Lead Time 11 hours Accuracy – 85%	Lead Time 12 hours Accuracy – 85%	Lead Time 9 hours Accuracy – 85%	Lead Time 13 hours Accuracy – 86%	Lead Time 14 hours Accuracy – 87%
Increase accuracy (%), and decrease false alarm rate (FAR) (%) of forecasts of ceiling and visibility (Aviation Forecasts)	New	Accuracy – 19% FAR – 52%	Accuracy – 20% FAR – 50%	Accuracy – 15% FAR – 53%	Accuracy – 21% FAR – 51%	Accuracy – 23% FAR – 47%
Increase accuracy (%) of forecast for winds and waves (Marine Forecasts)	New	50%	51%	50%	53%	55%

Performance Goal 5: Implement Seasonal to Interannual Climate Forecasts						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
ENSO (El Niño/Southern Oscillation) Forecasts – Accuracy (correlation)	.85	.85	.85	.84	.85	.85
U.S. temperature – skill score	20	23.3	20	25	20	26
Number of new monitoring or forecast products that become operational / year	New	New	New	New	4	4
New climate observations introduced	New	New	New	New	120	150

² No hurricanes made landfall in the U.S during the 2000 season.

Performance Goal 6: Predict and Assess Decadal to Centennial Change						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Document the “turnover” of CFC source gases in order to verify the effectiveness of global policy actions	1	1	N/A ³	N/A ³	N/A ³	TBD ⁴
Publish updated trend results of air quality measurements	1	1	N/A ⁵	N/A ⁵	1	N/A ⁵
Lead development of a peer-reviewed initial assessment of regional ozone in North America, including summarizing results for customers	1	1	N/A ⁶	N/A ⁶	N/A ⁶	N/A ⁶
Results of 90% of the research activities cited in the 2001 IPCC Third Assessment of Climate Change	N/A ⁶	N/A ⁶	N/A ⁶	N/A ⁶	90% cited	N/A ⁶

Performance Goal 7: Promote Safe Navigation						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Percent reduction in the backlog (square nautical miles) of hydrographic surveys for critical areas (cumulative)	20.7	20.7	24.3	24.3	27.8	31.3
Cumulative percentage of National Spatial Reference System (NSRS) complete to provide a common geographic framework tied to the Global Position System	59	59	64	71	74.8	78

³ Data collected and measured only every three years.

⁴ Whether or not a report is issued in 2002 depends on the significance of the detected trends.

⁵ Data collected and measured only every two years.

⁶ Data collected and measured only every five years.

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Target	FY 1999 Actual	FY 2000 Actual	FY 2000 Request	FY 2001 Enacted	FY 2002 Estimate
Performance Goal 1						
Total Funding	421.6	418.5	369.6	434.6	626.5	597.6
IT Funding*	24.5	18.8	13.5	19.5	15.2	25.3
FTE	2330	2371	2205	2479	2180	2272
Performance Goal 2						
Total Funding	262.7	309.5	280.9	495.4	661.7	364.5
IT Funding*	N/A	3.9	2.1	7.7	9.8	12.4
FTE	890	944	509	912	745	884
Performance Goal 3						
Total Funding	80.7	268.3	102.8	303.4	323.8	291.4
IT Funding*	24.5	9.9	7.2	10.3	8.1	11.4
FTE	575	721	519	712	778	617
Performance Goal 4						
Total Funding	1,276.4	1,301.2	1,358.6	1,383.4	1,461.0	1,581.0
IT Funding*	160.9	261.2	290.3	310.8	334.1	334.3
FTE	6351	6153	5812	6178	5440	5455
Performance Goal 5						
Total Funding	99.5	110.5	113.0	130.0	140.2	111.1
IT Funding*	20.4	31.2	22.8	19.0	25.7	21.4
FTE	549	562	350	563	465	501
Performance Goal 6						
Total Funding	110.6	101.9	96.7	93.2	109.2	94.7
IT Funding*	9.6	17.1	22.1	22.2	28.2	33.5
FTE	485	485	127	508	195	420
Performance Goal 7						
Total Funding	146.9	99.2	111.8	109.8	130.8	142.9
IT Funding*	3.9	20.9	9.7	25.6	13.4	14.0
FTE	878	878	807	868	577	782
Grand Total						
Total Funding	2,398.4	2,609.1	2,433.4	2,949.8	3,453.2	3,183.2
Reimbursable**	256.0	204.0	290.6	208.0	294.0	212.0
IT Funding*	243.8	363.0	367.7	415.1	434.5	452.3
FTE	12,058	12,114	10,329	12,220	10,380	10,931

* IT Funding included in Total Funding.

** Reimbursable Funding is not included in Total Funding.

Skill Summary

Marine ecologists, environmental educators, land use planners, toxicologists, economists (Goal 2); hydrologists, electronic technicians, hydrometeorological technicians (Goal 4); atmospheric scientists, computer specialists (Goal 5); instrumentation engineers, instrumentation technicians, physicists, mathematicians, electronic engineers (Goal 6); cartographers, photogrammetrists, geodesists, hydrographers (Goal 7); fishery biologists (Goals 1-3); fishery economists (Goals 1 and 3); oceanographers (Goals 2, 4, 5, 6, and 7); engineers (Goals 2, 4, and 7); chemists (Goals 2 and 6); meteorologists (Goals 4-7); physical scientists (Goals 5 and 7); computer scientists (Goals 6 and 7).

IT Requirements

- National Marine Fisheries Service (NMFS) Fishing Information Technology System (Goal 1).
- Sustaining Healthy Coasts (SHC) does not rely on any one IT system (Goal 2).
- NMFS Fishing Information Technology System (Goal 3).
- Advanced Weather Interactive Processing System (AWIPS), Next Generation Weather Radar (NEXRAD) System, Geostationary Operational Environmental Satellites (GOES) Ground System, Automated Surface Observing System (ASOS) (Goal 4).
- Satellite Active Archive, NOAA Virtual Data System, National Environmental Data Archive and Access System, Climate Prediction Centers Climate Computer (Goal 5).
- Geophysical Fluid Dynamics Laboratory (Goal 6).
- Nautical Charting and Hydrographic Surveying System, Physical Oceanographic Real-Time Systems (PORTS), and Data Processing and Analysis Subsystem (DPAS) for National Water Level Observation Network, Geodetic Support System (Goal 7).

Comments: The differences between the FY 1999 IT dollars and the FY 2000, FY 2001, and FY 2002 amounts is a result of several factors: (1) In previous years, the amounts accounted for major projects only. We have expanded the definition of IT dollars to include all projects identified in Exhibit 53, NOAA's President's Budget FY 1999. (2) The FY 1999 amount for Performance Goal 3, Recover Protected Species, was in error. This amount was inadvertently duplicated from Performance Goal 1, Build Sustainable Fisheries. The appropriate response should have been N/A. (3) The apparent decrease in dollars for Performance Goal 1, Build Sustainable Fisheries, is actually a realignment of the stewardship portfolio.

FY 2002 Performance Goals

Performance Goal 1: Build Sustainable Fisheries

Corresponding DOC Strategic Goal and Objective

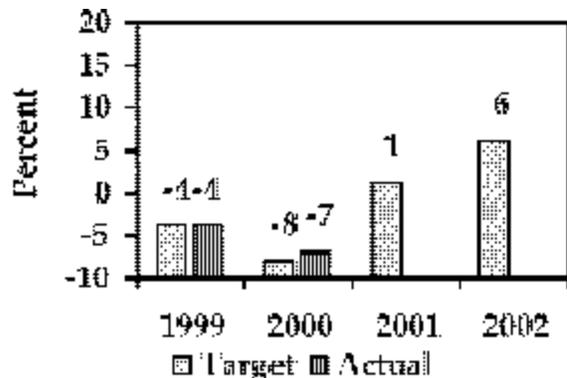
Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth

Objective 3.1: Enhance Conservation of the Natural Environment

Rationale for Performance Goal

Billions of dollars in economic growth, thousands of jobs, and countless recreational fishing opportunities are wasted as a result of overfishing and overcapitalization in commercial and recreational fisheries. While many fisheries are well managed and produce positive benefits, others are severely depleted or overcapitalized and must be restored and managed to realize their long-term potential. Rebuilding and reducing overcapitalization in existing fisheries will promote the economic and biological sustainability of U.S. fishing resources. Building sustainable fisheries will increase greatly the Nation's wealth and quality of life.

Measure 1a: Fewer overfished fisheries (currently, 86 of 279 stocks are overfished; by 2005, 25 percent, or 22, of these 86 stocks will no longer be overfished)



Data Validation and Verification:

Data source: NOAA/National Marine Fisheries Service (NMFS) Report to Congress: Status of Fisheries of the United States.

Frequency: Annual

Data storage: NOAA/NMFS Office of Sustainable Fisheries

Verification: Stock assessments and peer-reviews (internal and outside the agency)

Data Limitations: None

	FY 1999	FY 2000	FY 2001	FY 2002
Target	-4%	-8%	1%	6%
Actual	-4%	-7%		
Met / Not Met	Met	Met		

Explanation of Measure

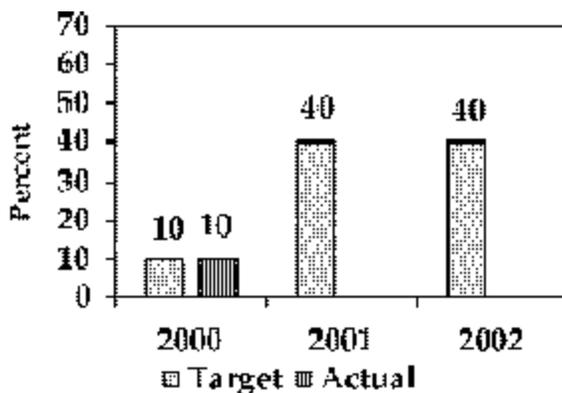
Target met.

The Magnuson-Stevens Sustainable Fisheries Act (SFA), reauthorized in 1996, requires that overfishing be eliminated in 10 years. A period of 2 years has been provided to amend the Fisheries Management Plans pertaining to overfished stocks to reflect the new law. To eliminate overfishing and allow fishing at sustainable levels, NOAA must gather considerable information about the stock size and age structure and the physical and biological processes that control the ecosystem dynamics. These data are used to determine the size of the stock and, conversely, how many fish can be caught.

The SFA requires NOAA to report to Congress and identify those fisheries that are overfished or approaching a condition of being overfished. In accordance with the requirements of the SFA, the basis for the identification of overfished stocks is the current overfishing definition found in the Fishery Management Plans. These definitions have changed over the past several years. For this performance measure, the number of fisheries stocks categorized as overfished has increased from 86 in 1997 to 92 in 2000, representing a minus 7 percent change. However, this increase was primarily the result of technical changes in the definitions of overfishing rather than a sudden decline in the biomass of the stocks declared as overfished. It should also be noted that because of changes in the definitions additional fishery stocks previously not categorized as overfished may be identified as such and will be addressed accordingly. Of the original 86 overfished fisheries identified in NOAA's 1997 Fisheries Report to Congress, however, 13 have been removed from the overfished category and 73 remain. NOAA had anticipated that there would be an overall negative percentage change (hence, the -8 percent target) due to the change in definition and the identification of new stocks.

NOAA is providing some financial assistance, such as a disaster relief program, to alleviate some of the hardships confronting fishermen during the course of rebuilding fisheries stocks.

Measure 1b: Stocks having sufficient essential fish habitat (60 percent* by 2005)



Data Validation and Verification:

Data source: Regional offices of NOAA/ National Marine Fisheries Service (NMFS)
Frequency: Annual
Data storage: Regional offices of NOAA/NMFS
Verification: Inter-agency and internal peer-review.
Data Limitations: None

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	10%	40%	40%
Actual	New	10%		
Met / Not Met	New	Met		

* For this measure, the goal is to have sufficient essential fish habitat for 60% of the fisheries stocks by 2005.

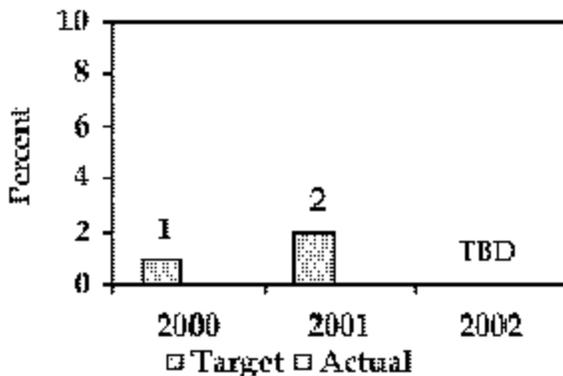
Explanation of Measure

Target met.

This performance measure calibrates progress with the essential fish habitat provisions of the Magnuson-Stevens Fishery Conservation and Management Act. Habitat is crucial for fisheries recruitment and the maintenance of healthy “fishable” stocks. The measure above focuses on the percentage of stocks that have adequate habitat.

The reauthorization of the Magnuson-Stevens Sustainable Fisheries Act requires NOAA fisheries to identify, protect, and restore fish habitats. Regulations have been promulgated to define “essential fish habitat,” and Regional Fisheries Management Councils, as key stakeholders, have participated extensively in this regulatory process. However, external factors, including the impact of biological and other natural conditions, may affect NOAA’s ability to reach this target. In addition, the outyear measures are very much dependent on a stable funding profile, particularly for determining a scientific baseline from which to measure progress toward annual targets and goals.

Measure 1c: Increase in employment in noncapture fishing and other sectors in fishing communities (9 percent by 2005)



Data Validation and Verification:

Data source: U.S. Department of Commerce (DOC)/Bureau of Economic Analysis (BEA) & National Marine Fisheries Service (NMFS)
Frequency: Annual
Data storage: DOC/BEA & NMFS
Verification: BEA and/or NMFS have been consulted and may provide the information and verification.
Data Limitations: BEA statistical data is by county, not by fishing community

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	1%	2%	TBD**
Actual	New	N/A*		
Met / Not Met	New	N/A*		

* For FY 2000, the results will not be available until relevant economic and labor data are released.

** For FY 2002, the targets will be determined based on FY 2000 actuals available in July 2001.

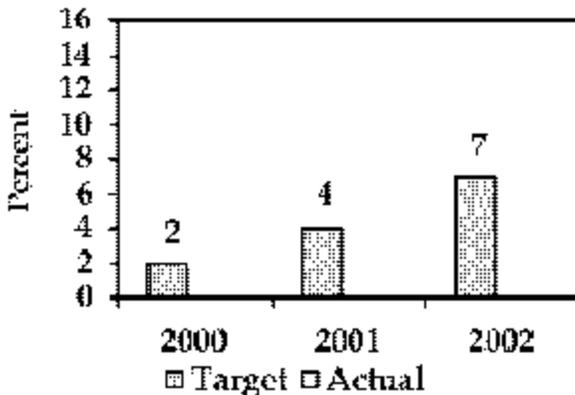
Explanation of Measure

The rebuilding of overfished stocks required under the Magnuson-Stevens Sustainable Fisheries Act of 1996 will result in lower harvest levels and, therefore, fewer fishing vessels and fishing-related jobs and a potential for overall reduction in economic activity in many coastal communities. The measure above will account for our activities to shift employment from traditional fishing to aquaculture (noncapture fishing) and to other vocations, especially marine vocations that will help minimize community change. NOAA is working with other Federal, State, and local agencies to address these effects on fishing communities through a variety of programs,

including loans, retraining, vessel and permit buyouts, and community planning. While NOAA alone does not cover the total costs of such programs, it acts as a catalyst in working with other DOC agencies such as the Economic Development Administration and other Federal agencies such as the U.S. Department of Labor and the Small Business Administration to coordinate community assistance to address the economic and social effects of reduced fishing levels.

National Marine Fisheries Service (NMFS) has approached the Bureau of Economic Analysis (BEA) to provide the information, starting with 1999 figures. NMFS has begun discussions with BEA to evaluate the utility of their data as a metric for this performance measure. NMFS will define “fishing communities” and work with BEA data and other data to provide a baseline and a measurement methodology.

Measure 1d: Increase in economic contribution of sustainable aquaculture to gross domestic product (17 percent by 2005)



Data Validation and Verification:

Data source: NOAA/National Marine Fisheries Service (NMFS), DOC/Bureau of Economic Analysis (BEA), U.S. Department of Agriculture (USDA)
Frequency: Annual
Data storage: BEA, NMFS, USDA
Verification: Discussions with BEA have been initiated, and a satellite account to provide aquaculture economic information may be established.
Data Limitations: NMFS data is reported about 18 months after the end of a calendar year. The first USDA aquaculture census occurred in 1998, and will be repeated only every third year.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	2%	4%	7%
Actual	New	N/A*		
Met / Not Met	New	N/A*		

* The FY 2000 results will not be available until FY 2002 because of reporting and data analysis. However, research results from preliminary investment are encouraging for new technologies in offshore and recirculating systems, which will form the base for future industry development.

Explanation of Measure

Marine aquaculture can play an important role in producing fish for food, thereby reducing our dependence on wild stocks, and can offer new business and employment opportunities in coastal communities affected by reduced fishing activity. In addition to food production, aquaculture can also be used to enhance wild stock populations, assist in recovery plans for protected species, and produce nonfood products such as ornamental fish, baitfish, and drugs and pharmaceuticals. This measure specifically addresses economic benefits of increased aquaculture production to the Nation. Production that does not have or interfere with wild stocks or cause environmental damage.

The Bureau of Economic Analysis (BEA) will serve as a satellite account. Aquaculture is total U.S. aquaculture production, less catfish and trout. NOAA will work with BEA, the U.S. Department of Agriculture (USDA), and the National Marine Fisheries Service (NMFS) to define measurement methodologies.

FY 2000 Program Evaluation for NOAA Performance Goal 1: Build Sustainable Fisheries

Virtually every aspect of National Marine Fisheries Service’s (NMFS) fisheries science program is peer reviewed, either internally within NMFS or outside the agency by, for example, the National Academy of Sciences or the National Science Foundation. NMFS also relies on extensive informal networks of university partnerships and laboratories throughout the Nation. Moreover, reviews often occur by opposing parties’ scientists in the court system when fisheries management decisions are litigated.

Discontinued Measures

None.

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
As evidenced by the Sustainable Fisheries Act amendments, there is a strong consensus among lawmakers, fishery managers, the fishing industry, and the public that depleted fishery resources must be restored and that healthy fisheries must be maintained and managed for greater efficiency.	Eliminate and prevent overfishing and overcapitalization.
The rebuilding of overfished fisheries required under the Magnuson-Stevenson Sustainable Fisheries Act of 1996 will result in lower harvest levels and, therefore, fewer fishing vessels and fishing-related jobs, and potentially an overall reduction in economic activity in many coastal communities. To minimize economic impact of fisheries management decisions on communities, NOAA is working with other Federal, State, and local agencies to address these effects on fishing communities through a variety of programs, including loans, retraining, vessel and permit buyouts, and community planning.	Attain economic sustainability in fishing communities.
Sound marine aquaculture will enhance the Nation’s ability to meet the growing domestic and global demand for seafood, as a growing number of wild stocks are overfished or fully utilized.	Develop environmentally and economically sound marine aquaculture.

Cross-Cutting Activities

Intra-DOC

NOAA will focus on reducing overfishing and overcapitalization of U.S. fishery resources by improving stock assessment and prediction, improving essential fisheries habitat, and reducing fishing pressure, including downsizing of fishing fleets. DOC, enlisting the support of key bureaus such as EDA, MBDA, and the National Institute of Standards and Technology, will play a key role in mitigating the impact of these critical resource conservation decisions in the transition to economically sustainable communities.

Other Government Agencies

DOC will also enlist the support of other Federal agencies, such as USDA, the Small Business Administration, and the U.S. Department of Labor in mitigating the effect of resource conservation decisions in the transition to economically sustainable communities.

External Factors and Mitigation Strategies

There are external factors that may affect NOAA's ability to reach the targets mentioned in this report. These factors include the impact of climate and other natural conditions, such as El Niño, on biological stocks. In addition, the effect of national and/or local economic conditions may affect NOAA's ability to reach certain targets.

Performance Goal 2: Sustain Healthy Coasts

Corresponding DOC Strategic Goal and Objective

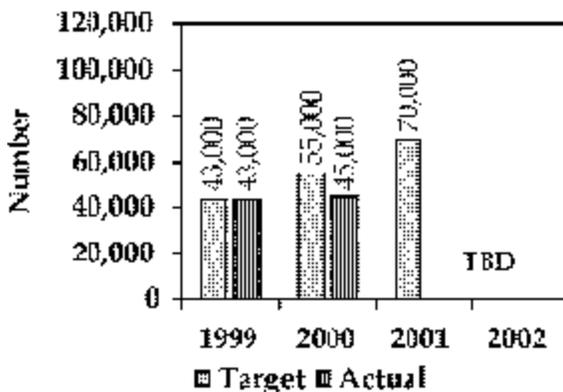
Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth

Objective 3.1: Enhance Conservation of the Natural Environment

Rationale for Performance Goal

NOAA has three primary objectives to sustain healthy coastal ecosystems and the communities and economies that depend on them: (1) protect, conserve, and restore coastal habitats and their biodiversity; (2) promote clean coastal waters; and (3) foster well-planned and revitalized coastal communities. To meet these objectives, NOAA integrates a broad range of research, assessment, and management activities from four of NOAA's five line offices (National Ocean Service (NOS), Office of Oceanic and Atmospheric Research (OAR), National Marine Fisheries Service (NMFS), and the National Environmental Satellite, Data, and Information Service (NESDIS)). NOAA works with many governmental and nongovernmental partners at local, State, national, and international levels to address the critical challenges facing coastal areas. NOAA measures its performance in meeting these objectives by tracking key outcomes, such as the acres of coastal habitat restored, changes in coastal water quality, number of coastal States with effective nonpoint pollution control programs, and the percentage of U.S. shoreline, with improved ability to identify and mitigate the impacts of natural hazards.

Measure 2a: Number of acres of coastal habitat restored (cumulative)



Data Validation and Verification:

Data source: Primary source is National Marine Fisheries Service (NMFS), Office of Habitat Conservation. Other input from National Ocean Service.

Frequency: Annual

Data storage: NMFS/Habitat Office will collect information, conduct assessments, and store data.

Verification: NMFS/Habitat Office will collect quality-controlled data to ensure criteria are being met by data used to calculate performance.

Data Limitations: None

	FY 1999	FY 2000	FY 2001	FY 2002
Target	43,000	55,000	70,000	TBD*
Actual	43,000	45,000		
Met / Not Met	Met	Not Met		

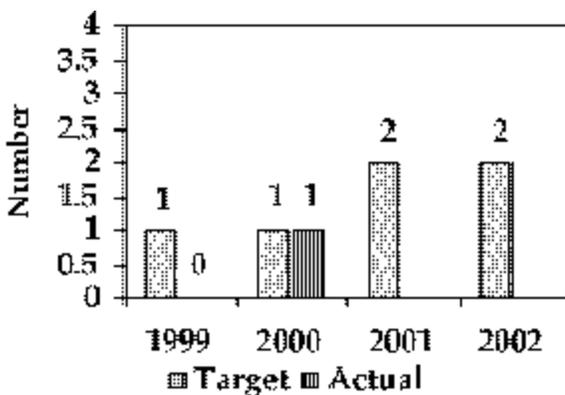
* The target for FY 2002 is currently under review pending the recalibration of this performance measure.

Explanation of Measure

Target not met. This target was based on the number of projects anticipated for approval under the Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA) project selection system in place in FY 1999. Prior to FY 2000, CWPPRA projects were approved by an interagency review board before detailed engineering design studies or formalized agreements with affected private landowners. As a result, acreage for approved projects was higher than actual acres restored as projects were delayed or dropped as not feasible from engineering or private landowner perspectives. In FY 2000 the project selection protocol was changed to require engineering design studies before project approval, thereby reducing the total acreage approved but increasing the likelihood that the number reported reflects actual coastal habitat restoration, creation, or protection. NMFS is currently working with the Sustain Healthy Coast (SHC) team to recalibrate this performance measure, establish a new baseline for its actions benefiting coastal habitats, and include acres restored from all relevant programs. NOAA expects that the revised targets will be reflected in the FY 2003 Annual Performance Plan

This measure shows the cumulative number of acres of coastal wetlands restored through NOAA's NMFS, Office of Habitat Conservation. The measure represents the outcome of many different restoration projects, most of which are implemented by NOAA in partnership with other Federal agencies, State agencies, and local groups. NMFS, with NOS, will continue to initiate and implement restoration projects for critical coastal habitats such as wetlands and coral reefs.

Measure 2b: Number of U.S. coastal regions with reduced introductions and impacts on nonindigenous species (total of six regions within the U.S.)



Data Validation and Verification:

Data source: NOAA Office of Oceanic and Atmospheric Research (OAR), U.S. Department of the Interior, and State agencies.

Frequency: Annual

Data storage: OAR will collect data, conduct assessments, and store data

Verification: Original research data verified through peer review; OAR will obtain quality-controlled data from other sources to ensure criteria are being met for inclusion in performance calculations.

Data Limitations: Reaching these targets will also depend on activities of other Federal and State agencies with management responsibilities in this area.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	1	1	2	2
Actual	0	1		
Met / Not Met	Not Met	Met		

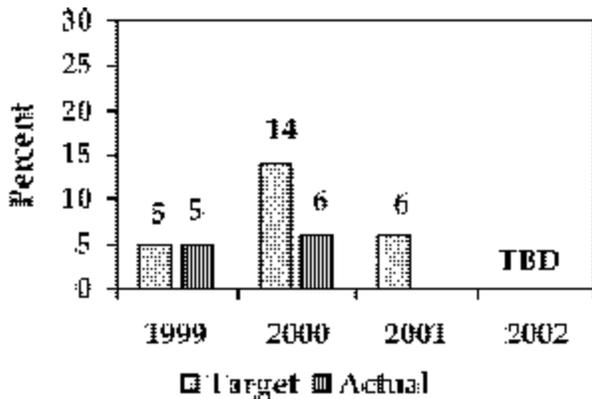
Explanation of Measure

Target met.

Invasive nuisance species have become a major threat to global biodiversity, second only to habitat degradation and loss. The Nation's coastal habitats and aquatic resources are being both directly and indirectly affected by nonindigenous species silently entering our waters through a variety of pathways, including ballast water discharge, live bait, and aquaculture. Many of these invaders displace native species, disrupting the ecological integrity of their ecosystems and threatening the economic and recreational value of these coastal resources. A

recent Cornell University assessment estimated that the annual cost of all invasive species to the U.S. economy exceeds \$130 billion, which is more than twice the annual cost of damage caused by all natural disasters. This measure considers both components that result in a “reduction” in the number of introductions: (1) a decrease in the number of new nonindigenous species that become established in U.S. coastal regions from other countries, when compared to some base period, and (2) a decrease in the spread of new nonindigenous species out of the region where they originally became established. OAR will implement a program to monitor national marine sanctuaries for invasive species, develop rapid-response strategy to prevent and control invasives in national marine sanctuaries and other areas, and continue support of ballast water demonstration projects.

Measure 2c: Percentage of U.S. shoreline and inland areas with improved ability to identify extent and severity of coastal hazards



Data Validation and Verification:

Data source: NOS, other Federal and State agencies.

Frequency: Annual

Data storage: NOS will collect information, conduct assessments, and store data.

Verification: All data used in coastal hazard risk assessments are quality controlled; risk assessment models are tested for accuracy and coverage (amount of shoreline covered).

Data Limitations: This measure tracks development and implementation of “coastal hazard risk atlases” as an indicator of improved ability to identify the extent and severity of coastal hazards. Reaching these targets will depend on activities of other Federal and State agencies with management responsibilities in this area.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	5%	14%	6%	TBD*
Actual	5%	6%		
Met / Not Met	Met	Not Met		

* The target for FY 2002 is currently under review pending the recalibration of this performance measure.

Explanation of Measure

Target not met. Subsequent analysis of this measure revealed a need for a reevaluation of the algorithms used in target planning and for the calculation of actual results, as well as an adjustment in the way milestones are linked to measures of performance in the future. In the FY 2000 annual planning process, two milestones were connected to this measure. The existing algorithm was used successfully to calculate “percent of shoreline” for one of these milestones, resulting in a 1 percent increase. However, the second milestone is actually an amalgam of many smaller and relatively disparate projects. Though each of these projects, and the milestone, were completed, problems with the algorithm and an oversight in planning have made it impossible to actually calculate and measure in any meaningful way the contribution of this milestone to the performance goal by the publication date of this report. Efforts are under way to correct the problem in FY 2001.

This measure tracks improvements in our ability to identify the risks of natural hazards in U.S. coastal regions. Activities are under way to develop coastal risk atlases that evaluate the risk, extent, and severity of natural hazards in coastal areas. These risk atlases will help coastal communities more effectively make land use decisions before and after severe events such as storms or floods to reduce risks to life and property. Currently,

many coastal communities make major decisions on land use, infrastructure development, and hazard responses without adequate information on the risks and possible extent of natural hazards in their area. NOS, with other Federal and State agencies, will evaluate risk of natural hazards for specific U.S. coastal regions; develop coastal risk atlases to identify the extent and severity of coastal hazards for coastal regions.

FY 2000 Program Evaluation for NOAA Performance Goal 2: Sustain Healthy Coasts

NOAA's goal to sustain healthy coasts is the product of more than 25 years of experience helping to understand and manage coastal resources so that their ecological and economic productivity can be fully realized and sustained. Evaluation efforts exist at a variety of levels, from peer reviews of proposals and evaluations of individual projects, to internal and external reviews of entire programs and quarterly reviews of NOAA's overall performance in coastal stewardship areas. Constituent input is an important part of the evaluation process and is solicited regularly through constituent workshops.

Discontinued Measures

Percentage of U.S. coastline with threats to habitat assessed and ranked

	FY 1999	FY 2000	FY 2001	FY 2002
Target	4%	5%	Discontinued	Discontinued
Actual	4%	8%		
Met / Not Met	Met	Met		

Data Validation and Verification:

Data source: Primary source is NMFS, Office of Habitat Conservation. Other input from National Ocean Service.

Frequency: Annual

Data storage: NMFS/Habitat Office will collect information, conduct assessments, and store data.

Verification: NMFS/Habitat Office will collect quality control data to ensure criteria are being met by data used to calculate performance.

Data Limitations: None

Explanation:

While still collecting this information internally, the Sustain Healthy Coasts (SHC) team has discontinued reporting on this measure in the Annual Performance Plan to reduce the number of measures that SHC reports in this plan.

Percentage of State coastal nonpoint pollution control programs approved (percentage of 35 coastal States)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	83%	86%	Discontinued	Discontinued
Actual	83%	83%		
Met / Not Met	Met	Not Met		

Data Validation and Verification:

Data source: NMFS, Office of Habitat Conservation.
Frequency: Annual
Data storage: NMFS/Habitat Office will collect information, conduct assessments, and store data.
Verification: NMFS/Habitat Office will collect quality control data to ensure criteria are being met by data used to calculate performance.
Data Limitations: None

Explanation:

While still collecting this information internally, the SHC team has discontinued reporting on this measure in the Annual Performance Plan to reduce the number of measures that SHC reports in this plan.

Number of U.S. coastal regions with systems to predict and reduce impacts of harmful algal blooms (total of six)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	1	Discontinued	Discontinued	Discontinued
Actual	1	Discontinued		
Met / Not Met	Met			

Data Validation and Verification:

Data source: NOS, other Federal and State agencies.
Frequency: Annual
Data storage: NOS will collect information, conduct assessments, and store data.
Verification: Verification includes peer-review of research and testing of models used in the prediction systems.
Data Limitations: None

Explanation:

While still collecting this information internally, the SHC team has discontinued reporting on this measure in the Annual Performance Plan to reduce the number of measures that SHC reports in this plan.

Summary Actions Related to Performance Goal 2

Action Plan

Strategies	Activities
Coastal habitats produce many of the Nation's commercial and recreational fisheries. They also are the foundation for most coastal tourism and recreation industries that contribute more than \$58 billion annually to the U.S. economy. Protecting and restoring coastal habitats and their biodiversity is an investment in the long-term sustainability of the Nation's coastal resources and the communities and economies that depend on them.	Protect, conserve, and restore coastal habitats and their biodiversity.
Clean water is essential for productive coastal ecosystems and sustainable coastal communities. Contaminated coastal waters threaten living resources, human health, and economic stability. The primary source of coastal water pollution is runoff from urban and agricultural areas that washes nutrients and other contaminants into coastal waters.	Promote clean coastal waters to sustain living marine resources and ensure safe recreation, healthy seafood, and economic vitality.
The U.S. economy is increasingly dependent on coastal resources. One in every six jobs is marine related and one-third of the Nation's gross domestic product is produced in coastal areas through tourism, recreation, trade, and other industries. These industries depend on healthy coastal resources to survive. Effective planning and revitalization of coastal communities is essential to sustainable management of both natural areas and the coastal communities that depend on them.	Foster well-planned and revitalized coastal communities that sustain coastal economies, are compatible with the natural environment, minimize the risks from nature's hazards, and provide access to coastal resources for public use and enjoyment.

Cross-Cutting Activities

Other Government Agencies

NOAA has leveraged its resources through a variety of effective international, interagency, State, local, private-sector, and other partnerships to develop world-class coastal stewardship capabilities. These partnerships are essential to effectively integrate coastal science, assessment, monitoring, education, and management activities.

In FY 2002, for example, the Sustain Healthy Coast (SHC) team will work with other Federal agencies, States, and academic partners to initiate new research necessary to sustainably manage the Nation's coastal ecosystems. This research will provide managers and decision-makers with information, solutions, and technologies as part of interagency initiatives developed by the National Science and Technology Council's Committee on Environment and Natural Resources.

NOAA provides technical and scientific assistance to a variety of partners involved in protection, monitoring, and restoration of coastal resources. For example, NOAA provides critical information to the U.S. Coast Guard to help the Coast Guard respond to approximately 70 serious oil and chemical spills every year. NOAA is also working closely with other agencies, DOC bureaus, States, local governments, and industry on important cross-cutting activities such as reducing the risks and impacts of natural hazards, protecting and

restoring essential fish habitats, reducing runoff pollution, forecasting and preventing harmful algal blooms, and exploring the deep ocean and new uses of the ocean's rich biodiversity.

External Factors and Mitigation Strategies

Changes in climate, biological, and other natural conditions may affect some of NOAA's activities to sustain healthy coasts. In addition, many of these coastal stewardship activities depend on contributions from multiple partners, particularly States, territories, and other Federal agencies. The failure of one or more of these partners to fulfill their cooperative contributions could have very serious consequences on the overall effort to sustain healthy coasts.

Performance Goal 3: Recover Protected Species

Corresponding DOC Strategic Goal and Objective

Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth

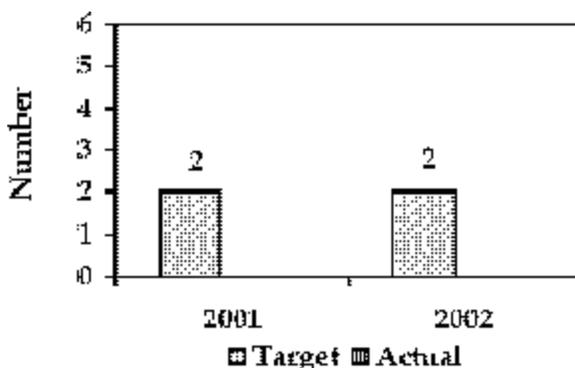
Objective 3.1: Enhance Conservation of the Natural Environment

Rationale for Performance Goal

NOAA's overall objectives for recovering protected species are to prevent the extinction of protected species and to maintain the status of healthy species. NOAA measures its performance in meeting these objectives by focusing on the agency's ability to manage protected species through conservation programs and recovery plans, and through constant monitoring and research regarding the status of species and the stresses that affect their mortality.

The quantitative measures (3a-3c) of the probability of extinction for protected species were developed in FY 1999 and FY 2000 to establish the baseline from which program performance (reduction in the probability of extinction) is to be measured. These new performance measures have been developed to quantify outcome-oriented performance to replace these output measures. National Marine Fisheries Service (NMFS) recognizes the need for objective procedures to determine the status of protected species based on population analyses that take into account species biology and threats to existence that are the result of both human and natural causes. The Recover Protected Species (RPS) FY 2002 proposal is based in part on measuring our ability to reduce the probability of extinction for at-risk species. RPS performance will be measured by the results of attempts such as reducing incidental and direct takes, increasing species habitat, decreasing negative interactions, and mitigating natural phenomena to reduce the risk of extinction for protected species from detrimental human activities.

Measure 3a: Reduce the probability of extinction of five threatened species/Evolutionary Significant Units (ESUs)* (annual) out of 23 threatened species (by 2005)



Data Validation and Verification:

Data source: NMFS

Frequency: Annual

Data storage: NMFS/Office of Protected Resources

Verification: Audits. Internal peer review within NOAA and external peer-review by regional fishery councils, the National Science Foundation, the National Academy of Science, and other organizations.

Data Limitations: None

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	2	2
Actual	New	New		
Met / Not Met	New	New		

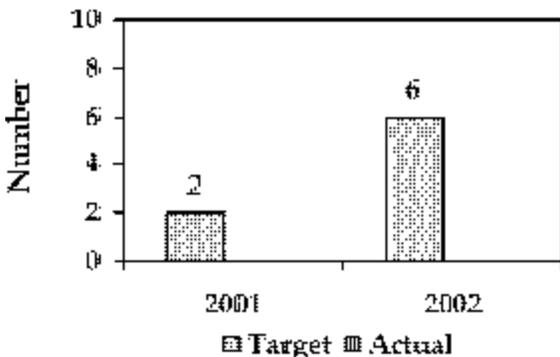
* For purposes of the Endangered Species Act (ESA), a “species” is defined to include “any distinct population segment of any species of vertebrate fish or wildlife which interbreeds when mature.” Federal agencies charged with carrying out the provisions of the ESA have struggled for more than a decade to develop a consistent approach for interpreting the term “distinct population segment.” A population (or group of populations) will be considered distinct (and hence a species) for purposes of the ESA if it represents an evolutionary significant unit (ESU) of the biological species. A population must satisfy two criteria to be considered an ESU: (1) it must be reproductively isolated from other nonspecific population units and (2) it must represent an important component in the evolutionary legacy of the species.

Isolation does not have to be absolute, but it must be strong enough to permit evolutionary important differences to accrue in different population units. The second criterion would be met if the population contributed substantially to the ecological/genetic diversity of the species as a whole.

Explanation of Measure

Five of the 23 threatened species/ESUs have been identified to be the most critical threatened species in danger of progressing to endangered species listings. These include the North Atlantic loggerhead turtle, Johnson’s seagrass, and three species of Pacific salmonids. Pacific salmonids are classified as ESUs. If actions are not taken to reduce or eliminate the threats to their continued existence, these species may become extinct within the next 5-20 years depending on their current status, the magnitude of the threats, and fluctuations in natural conditions, such as climate and ocean regime shifts. Reducing the probability of extinction requires a reduction in human activities detrimental to the survival of protected species, that is, reducing incidental and direct takes, increasing species habitat, decreasing negative interactions, and mitigating natural phenomena. Performance will be measured by the results of attempts to reduce the probability of extinction for protected species from detrimental human activities such as reducing incidental and direct takes, increasing species habitat, and mitigating natural phenomena.

Measure 3b: Mortality of strategic marine mammal stocks incidental to commercial fishing operations in six fisheries will be at insignificant levels (cumulative) (by 2006)



Data Validation and Verification:

Data source: NMFS
Frequency: Annual
Data storage: NMFS, Office of Protected Resources
Verification: Audits. Internal peer review within NOAA and external peer-review by regional fishery councils, the National Science Foundation, the National Academy of Science, and other organizations.
Data Limitations: None

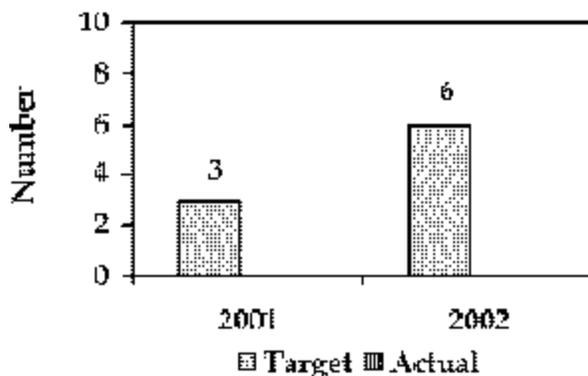
	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	2	6
Actual	New	New		
Met / Not Met	New	New		

Explanation of Measure

One of the most significant impacts on marine mammal stocks is death from entanglement and drowning in fishing gear. Certain marine mammal species are particularly vulnerable to interactions with fisheries because of location and type of fishing gear used. The six fisheries and marine mammal stocks targeted in this measure include the Harbor porpoise in New England multispecies and Mid-Atlantic gillnet fisheries; Pilot whales, beaked whales, sperm whales and humpback whales in the California/Oregon thresher shark and swordfish drift gillnet fisheries; Pilot whales in the Atlantic pelagic longline fishery; North Atlantic right, humpback, fin, and minke whales in New England multispecies and Mid-Atlantic gillnet fisheries, Gulf of Maine and Mid-Atlantic lobster fisheries, and the southeastern Atlantic shark gillnet fishery. New fishing technologies to reduce gear impacts need to be developed, and strategies to reduce interactions between fishing gear and marine mammals need to be devised. Education is also needed on ways fishermen can avoid marine mammals while still allowing them to catch fish.

A successful program to reduce mortality of marine mammal stocks will require research on marine mammal behavior, assessment of marine mammal populations, reduction of interactions in problem fisheries, and monitoring/analysis via the observer program.

Measure 3c: Reduce the probability of extinction of eight endangered species/ESUs (cumulative) (by 2006)



Data Validation and Verification:

Data source: NMFS

Frequency: Annual

Data storage: NMFS, Office of Protected Resources

Verification: Audits, Internal peer-review within NOAA and external peer-review by regional fishery councils, the National Science Foundation, the National Academy of Science, and other organizations.

Data Limitations: None

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	3	6
Actual	New	New		
Met / Not Met	New	New		

Explanation of Measure

Eight species on a list of 33 endangered species have been identified as the most critically in danger of extinction. These eight species include the Pacific leatherback turtle, Hawaiian monk seal, North Atlantic right whale, Western Stellar sea lion, and four species of Pacific salmonids. Efforts to prevent extinction will focus on identifying the factors contributing to extinction and developing and implementing recovery plans to address these factors. Reducing the probability of extinction requires a reduction in human activities detrimental to the survival of protected species, that is, reducing incidental and direct takes, increasing species habitat, decreasing negative interactions, and mitigating natural phenomena.

FY 2000 Program Evaluation for NOAA Performance Goal 3: Recover Protected Species

Evaluation efforts include peer reviews of proposals, internal and external reviews of programs, and quarterly reviews of NOAA's overall performance in protected species recovery. Constituent input is an important part of the evaluation process and is solicited regularly through constituent workshops.

Discontinued Measures

Six measures were discontinued in FY 2001. New performance measures have been developed to quantify outcome-oriented performance to replace these output measures.

Number of recovery plans developed (cumulative)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	25	27	Discontinued	Discontinued
Actual	24	27		
Met / Not Met	Not Met	Met		

Data Validation and Verification:

Data source: National Marine Fisheries Service (NMFS)

Frequency: Annual

Data storage: NMFS/Office of Protected Resources

Verification: Audits and regular communication between field and headquarter offices regarding the status of recovery plans.

Data Limitations: None

Number of recovery plans priority activities implemented (annual)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	15	20	Discontinued	Discontinued
Actual	15	20		
Met / Not Met	Met	Met		

*Data Validation and Verification:***Data source:** NMFS**Frequency:** Annual**Data storage:** NMFS, Office of Protected Resources**Verification:** Audits. Internal peer-review within NOAA and external peer-review by regional fishery councils, the National Science Foundation, the National Academy of Science, and other organizations.**Data Limitations:** None**Number of species with status improved (annual)**

	FY 1999	FY 2000	FY 2001	FY 2002
Target	15	16	Discontinued	Discontinued
Actual	15	16		
Met / Not Met	Met	Met		

*Data Validation and Verification:***Data source:** NMFS**Frequency:** Annual**Data storage:** NMFS/Office of Protected Resources**Verification:** Audits. Internal peer-review within NOAA and external peer-review by regional fishery councils, the National Science Foundation, the National Academy of Science, and other organizations.**Data Limitations:** None**Number of investigations of human-induced and other sources of mortality (annual)**

	FY 1999	FY 2000	FY 2001	FY 2002
Target	10	15	Discontinued	Discontinued
Actual	10	15		
Met / Not Met	Met	Met		

Data Validation and Verification:

Data source: NMFS
Frequency: Annual
Data storage: NMFS, Office of Protected Resources
Verification: Audits. Internal peer-review within NOAA and external peer-review by regional fishery councils, the National Science Foundation, the National Academy of Science, and other organizations.
Data Limitations: None

Cooperative conservation programs implemented (cumulative)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	10	10	Discontinued	Discontinued
Actual	10	10		
Met / Not Met	Met	Met		

Data Validation and Verification:

Data source: Cooperative Agreements, Memoranda of Understanding and Memoranda of Agreement, between NMFS and other involved parties submitted to NOAA.
Frequency: Annual
Data storage: NMFS/Office of Protected Resources
Verification: Audits and communication with each party involved in a cooperative conservation program organizations.
Data Limitations: None

Summary Actions Related to Performance Goal 3

Action Plan

Strategies	Activities
Prevent extinction of protected species.	Reduce threats of commercial, recreational, and other human induced activities that contribute to stress on marine species and ecosystems, threatening their survival.
Maintain the status of healthy species.	Recover protected species, avoid further decline of other at-risk species, improve science to lead to better long-term conservation and management strategies.

Cross-Cutting Issues

Other Government Agencies

Over the past year, NOAA has developed innovative partnerships with the States of Maine, Washington, Oregon, and California to promote the recovery of listed and at-risk salmon and steelhead species.

External Factors and Mitigation Strategies

The impact of climate, biological, and other natural conditions affect NOAA's efforts to recover protected species and maintain the status of healthy species. Research may identify opportunities to pursue the mitigating strategies in some cases.

Performance Goal 4: Advance Short-term Warnings and Forecasts

Corresponding DOC Strategic Goal, Objective, and Strategy

Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth

Objective 3.2: Improve Understanding and Prediction of the Natural Environment

Rationale for Performance Goal

Our environment has profound effects on human welfare and economic well-being. Each year hundreds of lives and billions of dollars are lost due to severe storms, floods, and other natural hazards that can be predicted minutes to months in advance. NOAA's current ability to predict short-term change is restricted by observations that are incomplete in time and space. This limits the ability to improve basic understanding and predictive modeling of weather and other natural phenomena. Although we can do nothing to prevent natural disturbances, we must do everything possible to minimize their human impact. NOAA must improve its observing systems, develop a better understanding of natural processes, and enhance numerical weather prediction models and dissemination systems.

Measure 4a: Increase lead time (minutes), accuracy (percent), and decrease false alarm rate (FAR) (percent) for severe weather warnings for tornadoes

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Lead time – 11 min. Accuracy – 70% FAR – 72%	Lead time – 12 min. Accuracy – 70% FAR – 65%	Lead time – 13 min. Accuracy – 68% FAR – 73%	Lead time – 13 min. Accuracy – 70% FAR – 70%
Actual	Lead time – 12 min. Accuracy – 70% FAR – 72%	Lead time – 10 min. Accuracy – 63% FAR – 76%		
Met / Not Met	Met	Not Met		

Data Validation and Verification:

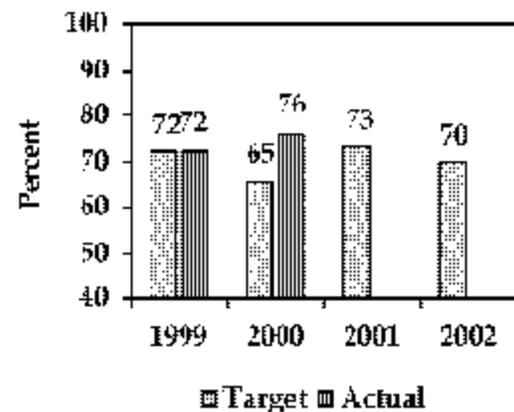
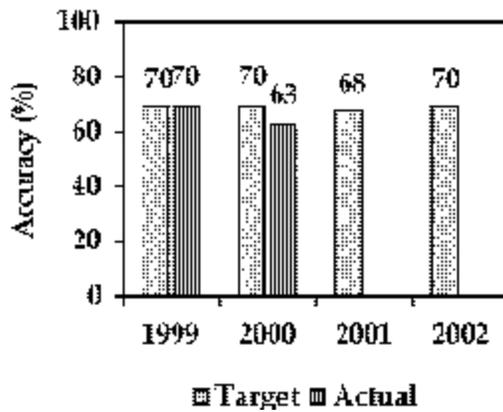
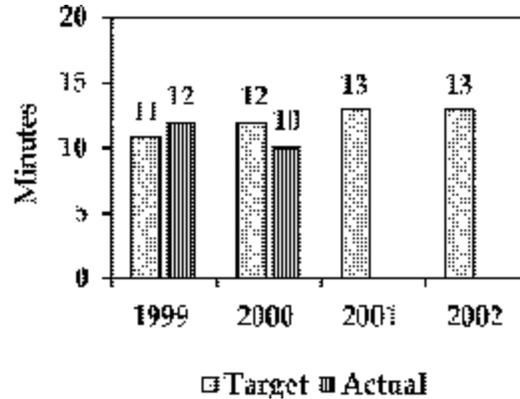
Data source: NWS Field Offices

Frequency: Monthly

Data storage: National Weather Service Headquarters (NWS Hq), Office of Climate, Water, and Weather Services (OS), Silver Spring, Maryland

Verification: Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of warnings from every NWS office across the Nation. The severe weather event program includes extensive quality control procedures to ensure the highest reliability of each report. The data in each report are entered into a database that contains severe weather warnings where the warnings and events are matched and appropriate statistics are calculated and made available to all echelons of the NWS.

Data Limitations: There are limitations of scientific verification in assessing data. The fundamental purpose of scientific verification is to objectively assess program performance through the use of standard statistical analysis. However, a number of factors unique to the atmospheric sciences must be considered to ensure proper interpretation of objectively derived statistics. The primary factor to consider is the natural variation of this performance measure related to annual fluctuations in meteorological conditions associated with severe weather.

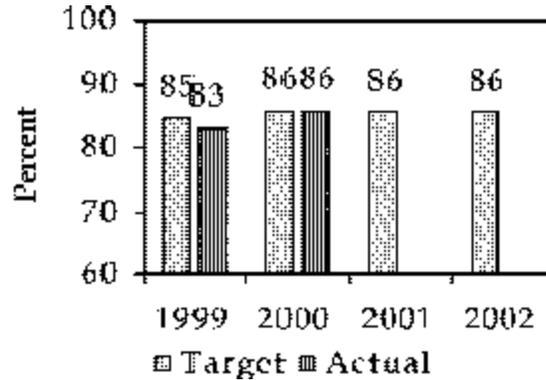
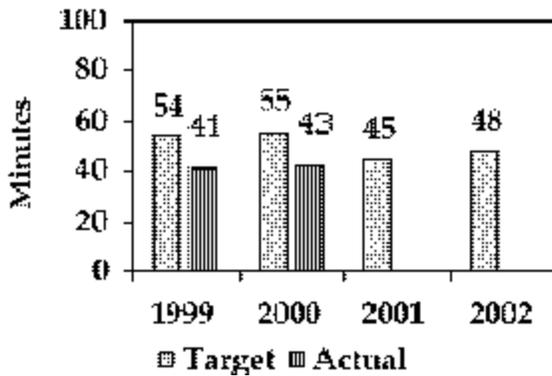


Explanation of Measure

FY 2000 targets were not met. The tornado season had few well-organized weather systems, which resulted in fewer and weaker tornadoes. It is much more difficult to warn under these circumstances; therefore, this situation affects these measures.

The lead time for a tornado warning is the difference between the time the warning was issued and the time the tornado affected the area for which the warning was issued. The lead times for all tornado occurrences throughout the year are averaged to get this statistic. The accuracy of the warnings is the percentage of times a tornado actually occurred in an area that was already covered by a warning. The false alarm rate is the percentage of times a tornado warning was issued but no tornado occurrence was verified. The false alarm rate was added as a reportable measure in FY 2000, although it had been collected and used internally previously. NOAA will continue data collection and verification, and false alarm rates will be reported in future years. Forecaster accessibility to these data will be enhanced.

Measure 4b: Increase lead time (minutes) and accuracy (percent) for severe weather warnings for flash floods



Data Validation and Verification:

Data source: NWS Field Offices

Frequency: Monthly

Data storage: NWS Hq, Office of Climate, Water, and Weather Services (OS), Silver Spring, Maryland

Verification: Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of warnings from every NWS office across the Nation. The severe weather event program includes extensive quality control procedures to ensure the highest reliability of each report. The data in each report are entered into a database that contains severe weather warnings where the warnings and events are matched and appropriate statistics are calculated and made available to all echelons of the NWS.

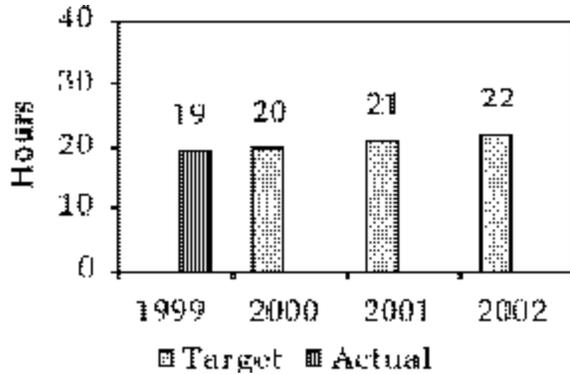
Data Limitations: There are limitations of scientific verification in assessing data. The fundamental purpose of scientific verification is to objectively assess program performance through the use of standard statistical analysis. However, a number of factors unique to the atmospheric sciences must be considered to ensure proper interpretation of objectively derived statistics. The primary factor to consider is the natural variation of this performance measure related to annual fluctuations in meteorological conditions associated with severe weather.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Lead time – 54 min. Accuracy – 85%	Lead time – 55 min. Accuracy – 86%	Lead time – 45 min. Accuracy – 86%	Lead time – 48 min. Accuracy – 86%
Actual	Lead time – 41 min. Accuracy – 83%	Lead time – 43 min. Accuracy – 86%		
Met / Not Met	Not Met	Not Met for Lead time Met for Accuracy		

Explanation of Measure

One target met (accuracy), one target not met (lead time). FY 2000 was a relatively dry year with fewer than normal well-organized weather systems. Under these conditions, it is much more difficult to warn for events with significant lead times.

The lead time for a flash flood warning is the difference between the time the warning was issued and the time the flash flood affected the area for which the warning was issued. The lead times for all flash flood occurrences throughout the year are averaged to get this statistic. The accuracy of the warnings is measured by the percentage of times a flash flood actually occurred in an area that was already covered by a warning. NOAA's actions include data collection and verification, and new performance measures will be reported in future years. Forecaster accessibility to these data will be enhanced.

Measure 4c: Increase lead time (hours) of warnings for hurricanes**Data Validation and Verification:****Data source:** NWS/Tropical Prediction Center (TPC)**Frequency:** Annual**Data storage:** TPC, Miami, Florida

Verification: Hurricane storm verification is performed for hurricanes, tropical storms, and tropical depressions and verification is considered whether over land or water. The TPC issues warning when hurricane conditions are expected within 24 hours along the coast. The location and timing of these warnings are based upon a number of factors, including the official TPC track forecast. The average errors of the TPC track forecast for the Atlantic basin are calculated at the end of each hurricane season.

Data Limitations: There is large variability in the hurricane warning program due to sample sizes and types of storms each year. There may be years with unusually easy or difficult forecasts. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and continued support of AWIPS.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	20 hours	21 hours	22 hours
Actual	19 hours	N/A*		
Met / Not Met	New	N/A*		

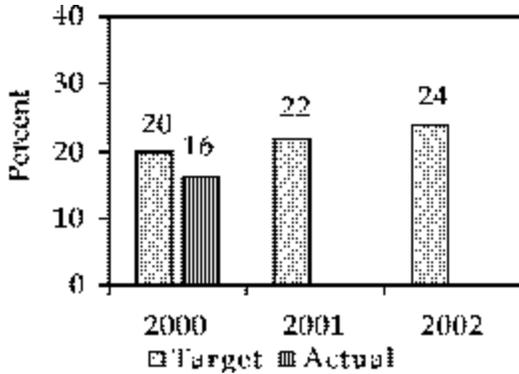
* No hurricane made landfall in the United States during the 2000 season; therefore, there is no actual number for FY 2000.

Explanation of Measure

While FY 2000 was an active hurricane season in the Atlantic Ocean and Gulf of Mexico, there were no landfalling storms during this time.

Hurricanes are one of nature's most destructive storms. NOAA must continue to inform coastal communities of approaching storms to mitigate the impact from these dangerous storms. This performance indicator measures the advance warning time a community has to prepare for hurricane conditions. A hurricane warning is issued when hurricane force winds are predicted to affect a portion of the U.S. coastline. Advance warning is critical for the evacuation of vulnerable areas.

Measure 4d: Increase accuracy (percent) of 3-day forecast of precipitation



Data Validation and Verification:

Data source: Hydrometeorological Prediction Center (HPC)

Frequency: Annual

Data storage: World Weather Building, Camp Springs, Maryland

Verification: HPC has produced the Quantitative Precipitation Forecast (QPF) since the early 1960s and has kept verification statistics related to the QPF program since that time. All data are examined for accuracy and quality control procedures are applied.

Data Limitations: The NWS routinely prepares and distributes to internal and external customers predictions of heavy rainfall. The HPC has the responsibility to prepare both graphical and text products depicting the areas threatened by heavy precipitation in the contiguous United States. There will be a significant amount of variability and the improvements may not be achieved exactly as predicted. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and continued support of AWIPS.

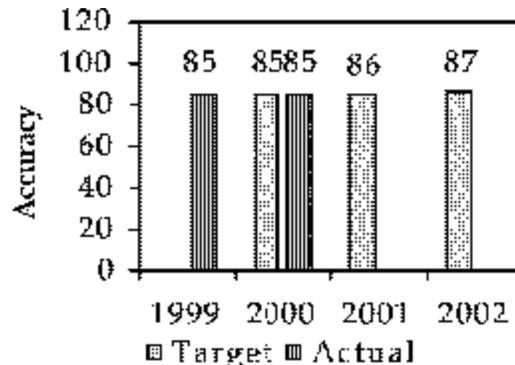
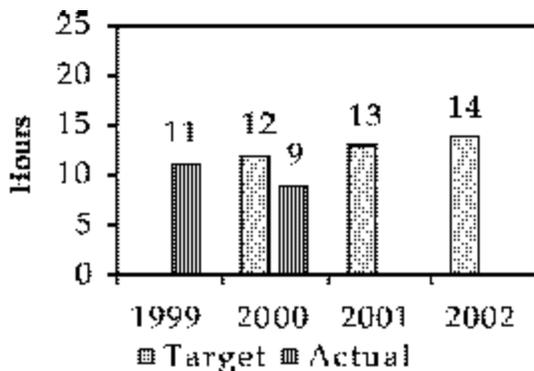
	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	20%	22%	24%
Actual	New	16%		
Met / Not Met	New	Not Met		

Explanation of Measure

Target was not met. This year is the first time a 3-day QPF has been issued and, as such, is actually a baseline for this measure. FY 2000 was a relatively dry year, a factor that often lowers the accuracy score.

The accuracy of a forecast of precipitation issued 3 days in advance. NOAA's actions include data collection and verification. NWS Field Office Forecaster accessibility to these data will be enhanced.

Measure 4e: Increase lead time (hours) and accuracy (percent) of warnings for winter storms



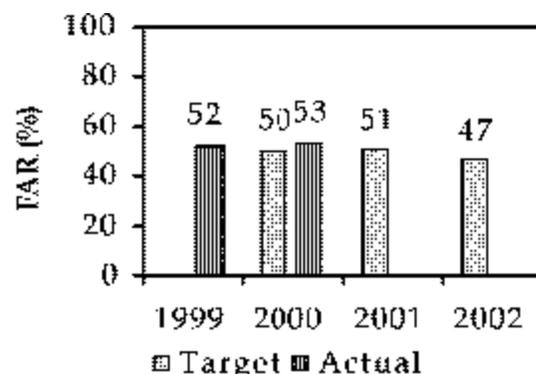
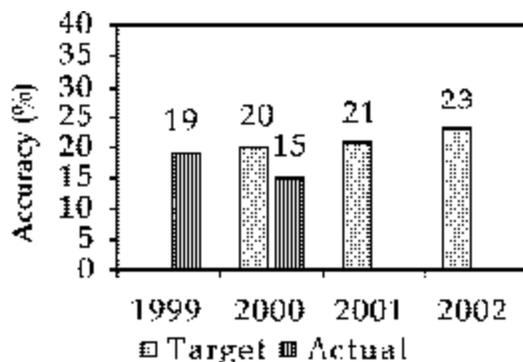
Data Validation and Verification:**Data source:** NWS Field Offices**Frequency:** Daily**Data storage:** NWS Hq, Office of Climate, Water, and Weather Services (OS) Silver Spring, Maryland**Verification:** Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of forecasts and observations from each NWS office across the Nation. The quality controlled, collated data are transmitted to the National Centers for Environmental Prediction in Camp Springs, Maryland, where the data are stored as computer files. The data files are retrieved by the NWS Hq, Office of Science and Technology (OST). Following additional quality control the data are stored on an OST workstation and used to generate semi-annual statistics on forecast accuracy.**Data Limitations:** Documentation for heavy snowfall is printed annually. Due to the relatively few number of cases each year, the projections assume a 3-year average (current plus 2 previous years equally weighted). Due to the large volume of data gathered and computed, a document for the above cannot be finalized until well into the following fiscal year. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and continued support of AWIPS.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	Lead time – 12 hours Accuracy – 85%	Lead time – 13 hours Accuracy – 86%	Lead time – 14 hours Accuracy – 87%
Actual	Lead time – 11 hours Accuracy – 85%	Lead time – 9 hours Accuracy – 85%		
Met / Not Met	New	Met for accuracy Not Met for lead time		

Explanation of Measure

One target met (accuracy), one target not met (lead time). FY 2000 was a dry year across the country with below normal snowfall and fewer well-organized systems, making forecasting difficult.

A winter storm warning is issued when 4 or more inches of snow or sleet are expected in the next 12 hours, or 6 or more inches in 24 hours, or 1/4 inch or more of ice accretion is expected. This performance indicator measures the accuracy and advance warning lead time of these conditions. Improving the accuracy and advance warnings of winter storms enables the public to take the necessary steps to prepare for disruptive weather conditions.

Measure 4f: Increase accuracy (percent) and decrease false alarm rate (percent) of forecasts of ceiling and visibility (aviation forecasts)

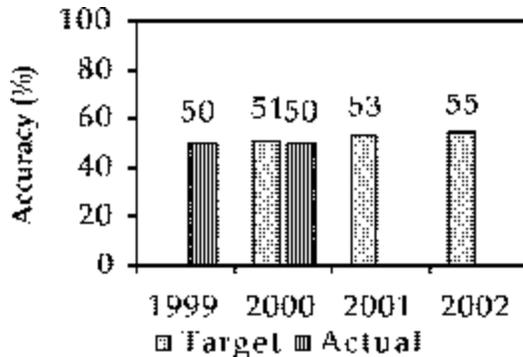
Data Validation and Verification:**Data source:** NWS Field Offices**Frequency:** Daily**Data storage:** NWS Hq, Office of Climate, Water, and Weather Services (OS) Silver Spring, Maryland**Verification:** Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of forecasts and observations from each NWS office across the Nation. The quality controlled, collated data are transmitted to the National Centers for Environmental Prediction in Camp Springs, Maryland, where the data are stored as computer files. The data files are retrieved by the NWS Hq, Office of Science and Technology (OST). Following additional quality control the data are stored on an OST workstation and used to generate semi-annual statistics on forecast accuracy.**Data Limitations:** Due to the large volume of data gathered and computed, documentation for the above cannot be finalized until well into the following fiscal year. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and implementation of AWIPS.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	Accuracy – 20% FAR – 50%	Accuracy – 21% FAR – 51%	Accuracy – 23% FAR – 47%
Actual	Accuracy – 19% FAR – 52%	Accuracy – 15% FAR – 53%		
Met / Not Met	New	Not Met		

Explanation of Measure

Target not met. While extremely low visibilities and cloud ceilings are difficult to forecast because of the limited number of climatological occurrences, these two elements are extremely important to the aviation community. History has shown that 85 percent of all aviation accidents are weather related. NOAA will continue to put an emphasis on improving aviation forecasts.

In accordance with the NWS Strategic Plan, this measure was added in FY 2000 to reflect a segment of customers that had not been represented in other performance measures. Visibility and cloud ceiling forecasts are critical for the safety of aircraft operations. NOAA actions to be taken include data collection and verification. NWS Field Office Forecaster accessibility to these data will be enhanced.

Measure 4g: Increase accuracy (percent) of forecast for winds and waves (marine forecasts)**Data Validation and Verification:****Data source:** NWS Field Offices**Frequency:** Daily**Data storage:** National Weather Service, National Centers for Environmental Prediction (NCEP), Ocean Modeling Branch (OMB), Camp Springs, Maryland**Verification:** Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of forecasts and observations from each NWS office across the Nation. The quality controlled, collated data are transmitted to the National Centers for Environmental Prediction (NCEP) in Camp Springs, MD where it is stored as computer files. The data files are retrieved by the NWS, NCEP, OMB. Following additional quality control the data used to generate quarterly statistics on forecast accuracy.**Data Limitations:** Due to the large volume of data gathered and computed, documentation for the above cannot be finalized until well into the following fiscal year. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	51%	53%	55%
Actual	50%	50%		
Met / Not Met	New	Not Met		

Explanation of Measure

Target not met. This target was established based on only 1 year of data. NOAA's best estimate at the time was a modest increase in accuracy. The goal was missed by less than 1 percent which is considered statistically insignificant. NOAA will adjust future goals after a good baseline of forecaster skill is attained.

In accordance with the NWS Strategic Plan, this measure was added in FY 2000 to reflect a segment of customers that had not been represented in other performance measures. This performance indicator measures the accuracy of wind and wave forecasts important for marine commerce. NOAA actions to be taken include data collection and verification, which will be added for forecasts for the Great Lakes. NWS Field Office Forecaster accessibility to these data will be enhanced.

FY 2000 Program Evaluation for NOAA Performance Goal 4: Advance Short-Term Warnings and Forecasts

NOAA's vision for FY 2005 is to provide significantly improved short-term warning and forecast products and services that enhance public safety and the economic productivity of the Nation. While it is difficult to see the improvements on an annual basis because of the scientific nature and seasonal variations of weather events, historical trends have shown that NOAA continues to improve the accuracy and advance warning lead time of severe weather hazards.

Program evaluations at NWS Field Offices are conducted annually. Quality control procedures are followed to ensure the highest reliability of gathered data and weather products. The National Academy of Sciences is also involved in program analysis and evaluation processes on a national level.

Discontinued Measures

During FY 1999, NWS developed a Strategic Plan that resulted in adding new and modifying existing performance measures to meet changing customer demands. While NWS continues to monitor all performance measures internally, both old and new, the measures outlined in this report have been identified as those selected few that are the most meaningful to the American public. NWS will continue to factor in customer input in improving its products and services.

Increase lead time (minutes) and accuracy (percent) for severe weather warnings for severe thunderstorms

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Lead time – 19 minutes Accuracy – 84%	Discontinued	Discontinued	Discontinued
Actual	Lead time – 17 minutes Accuracy – 82%			
Met / Not Met	Not Met			

Data Validation and Verification:

Data source: NWS Field Offices

Frequency: Annual

Data storage: NWS Hq, Office of Climate, Water, and Weather Services (OS), Silver Spring, Maryland

Verification: Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of warnings from every NWS office across the Nation. The severe weather event program includes extensive quality control procedures to ensure the highest reliability of each report.

Data Limitations: There are limitations of scientific verification in assessing data. The fundamental purpose of scientific verification is to objectively assess program performance through the use of standard statistical analysis. However, a number of factors unique to the atmospheric sciences must be considered to ensure proper interpretation of objectively derived statistics. The primary factor to consider is the natural variation of this performance measure related to annual fluctuations in meteorological conditions associated with severe weather.

Explanation of Measure

This measure was discontinued after FY 1999 to focus on the more extreme events of tornadoes and flash floods. These data are still being used internally.

Increase accuracy (km/mi) of warnings within 24 hours of hurricane landfall

	FY 1999	FY 2000	FY 2001	FY 2002
Target	84 miles	Discontinued	Discontinued	Discontinued
Actual	92 miles			
Met / Not Met	Met			

Data Validation and Verification:

Data source: Tropical Prediction Center (TPC), Miami, Florida

Frequency: Annual

Data storage: TPC, Miami, Florida

Verification: Hurricane storm verification is performed for hurricanes, tropical storms, and tropical depressions and verification is considered whether over land or water. TPC issues warning when hurricane conditions are expected along the coast within 24 hours. The location and timing of these warnings are based upon a number of factors, including the official TPC track forecast. The average errors of the TPC track forecast for the Atlantic basin are calculated at the end of each hurricane season.

Data Limitations: There is large variability in the hurricane warning program due to sample sizes and types of storms each year. There may be years with unusually easy or difficult forecasts. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and continued support of AWIPS.

Explanation of Measure

This measure was changed after FY 1999 to report a hurricane warning's lead time, which is critical for the evacuation of vulnerable areas.

Increase lead time (days in advance) for successfully forecasting 1 inch of precipitation

	FY 1999	FY 2000	FY 2001	FY 2002
Target	2.3 days	Discontinued	Discontinued	Discontinued
Actual	2.3 days			
Met / Not Met	Met			

Data Validation and Verification:

Data source: Hydrometeorological Prediction Center (HPC), Camp Springs, MD

Frequency: Annual

Data storage: World Weather Building, Camp Springs, Maryland

Verification: HPC has produced the QPF since the early 1960s and has kept verification statistics related to the QPF program since that time. All data are examined for accuracy and quality control procedures are applied.

Data Limitations: NWS routinely prepares and distributes to internal and external customers predictions of heavy rainfall. The HPC has the responsibility to prepare both graphical and text products depicting the areas threatened by heavy precipitation in the contiguous United States. There will be a significant amount of variability and the improvements may not be achieved exactly as predicted. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and continued support of AWIPS.

Explanation of Measure

This measure was modified to report the accuracy of a forecast of precipitation issued 3 days in advance.

Increase accuracy (percent) of correct forecasts for heavy snowfall

	FY 1999	FY 2000	FY 2001	FY 2002
Target	55%	Discontinued	Discontinued	Discontinued
Actual	49%			
Met / Not Met	Not Met			

Data Validation and Verification:**Data source:** NWS Field Offices**Frequency:** Daily**Data storage:** NWS Hq, Office of Climate, Water, and Weather Services (OS) Silver Spring, Maryland**Verification:** Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of forecasts and observational from each NWS office across the Nation. The quality controlled, collated data are transmitted to the National Centers for Environmental Prediction in Camp Springs, Maryland, where the data are stored as computer files. The data files are retrieved by the NWS Hq, Office of Science and Technology. (OST). Following additional quality control the data are stored on an OST workstation and used to generate semi-annual statistics on forecast accuracy.**Data Limitations:** Documentation for heavy snowfall is printed annually. Due to the relatively few number of cases each year, the projections assume a 3-year average (current plus 2 previous years equally weighted). Due to the large volume of data gathered and computed, a document for the above cannot be finalized until well into the following fiscal year. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and continued support of AWIPS.**Explanation of Measure**

This measure was replaced after FY 1999 with a measure of lead time and accuracy of winter storm warnings, which is more meaningful in both time and geographic area.

Increase the accuracy (in degrees Fahrenheit) of temperatures averaged for all forecasts periods and cycles

	FY 1999	FY 2000	FY 2001	FY 2002
Target	87% current 78% freezing	Discontinued	Discontinued	Discontinued
Actual	84% current 62% freezing			
Met / Not Met	Not Met			

Data Validation and Verification:**Data source:** NWS Field Offices**Frequency:** Annual**Data storage:** NWS Hq, Office of Climate, Water, and Weather Services (OS), Silver Spring, Maryland.**Verification:** Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of warnings from every NWS office across the Nation. The severe weather event program includes extensive quality control procedures to ensure the highest reliability of each report.**Data Limitations:** There are limitations of scientific verification in assessing data. The fundamental purpose of scientific verification is to objectively assess program performance through the use of standard statistical analysis. However, a number of factors unique to the atmospheric sciences must be considered to ensure proper interpretation of objectively derived statistics. The primary factor to consider is the natural variation of this performance measure related to annual fluctuations in meteorological conditions associated with severe weather.

Explanation of Measure

This measure was discontinued after FY 1999. Additional performance measures were added in FY 2000 as improved representation of NOAA's mission.

Summary Actions Related to Performance Goal 4

Action Plan

Strategies	Activities
Sustain modernized weather service operations.	Increase understanding of the environment through research and investments in new technologies to provide more accurate and timely weather warnings and forecasts required by the Nation.
Maintain continuous operational satellite coverage critical for warnings and forecasts.	Position satellites over the United States to provide uniform coverage with visible and infrared (day and night) imagery. Combine satellite coverage with data from other systems to form a complete set of information about the space from the Earth's surface to the upper atmosphere.
Strengthen observing and prediction systems.	Improve observing systems, develop better understanding of natural processes, and enhance predictive models and dissemination systems through scientific, technological and programmatic advances, and international cooperation.
Improve customer service to the public, emergency managers, the media, and private forecasters.	Use telecommunication systems to ensure effective dissemination to the users of weather forecasts, warnings, and other products. Expand external outreach activities to ensure customers can effectively use NOAA's products.

Cross-Cutting Activities

Intra-DOC

NOAA works closely with NIST and EDA to participate in the Federal Natural Disaster Reduction initiative, which is focused on reducing the costs of natural disasters and saving lives through improved warnings and forecasts and the provision of information to improve resiliency to disaster.

Other Government Agencies

NOAA also works very closely with other agencies such as FEMA, the Corps of Engineers, the Bureau of Reclamation, Department of Defense, as well as State and local governments to complement their meteorological services in the interest of national security. NOAA works closely with the U.S. Coast Guard for the dissemination of marine weather warnings and forecasts and works directly with the Federal Aviation Administration (FAA) on aviation forecasts and with the National Aeronautics and Space Administration (NASA) on launch forecasts and solar forecast effects.

Government/Private Sector

Weather and climate services are provided to the public and industry through a unique partnership between NOAA and the private meteorological sector. NOAA provides forecasts and warnings for public safety, and the private sector promotes dissemination of forecasts and tailors basic information for business uses.

External Factors and Mitigation Strategies

A number of factors unique to the atmospheric sciences must be considered when reviewing the performance measures for this goal. The primary factor to consider is the natural variation of this goal related to annual fluctuations in meteorological conditions associated with severe weather. Another factor is that damage to critical equipment (for example, supercomputer fire, satellite outage) can affect daily operations for extended periods, even though numerous safety measures and backup procedures are in place.

Although the performance measure under this goal may improve, the impact on society may not be obvious due to factors beyond our control. For example, the hurricane warnings may become more accurate, but because of the increase in population along the coastlines, the deaths, injuries, and/or damage estimates may increase.

Improving our understanding of the natural environment requires advanced infrastructure and, therefore, a continuous investment in new technology such as supercomputers and environmental satellites.

NOAA relies on its partners in the media, private sector, and the State and local emergency management community to disseminate the weather warnings.

Performance Goal 5: Implement Seasonal to Interannual Climate Forecasts

Corresponding DOC Strategic Goal, Objective, and Strategy

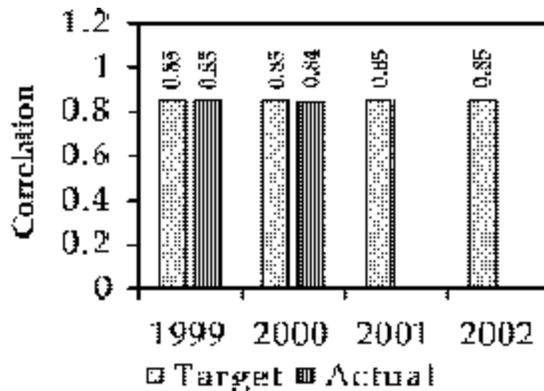
Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth

Objective 3.2: Improve Understanding and Prediction of the Natural Environment

Rationale for Performance Goal

NOAA works with academic and international partners to provide 1-year lead-time forecasts of global climate variability, especially El Niño, and consequent precipitation and surface temperature distributions. These forecasts increase society's ability to mitigate economic losses and social disruption from such events.

Measure 5a: ENSO (El Niño/Southern Oscillation) Forecasts—Accuracy (correlation)



Data Validation and Verification:

Data source: Forecasts of sea surface temperature in a portion of the Pacific Ocean, and observations from buoys, ships, and satellites.

Frequency: Annual

Data storage: NWS's National Centers for Environmental Prediction, Camp Springs, Maryland.

Verification: NOAA quality controls the incoming data (e.g., error checking, interstation comparison), and the satellite data can be compared with the in situ data to help validate the data accuracy.

Data Limitations: This measure assesses the correlation between forecasts of sea surface temperature (based on models) and actual sea surface temperature (based on satellite and in situ observations). Improvements in forecasting ability depend upon improved observations, models, and research. Forecasts will likely be better in El Niño years than in non-El Niño years.

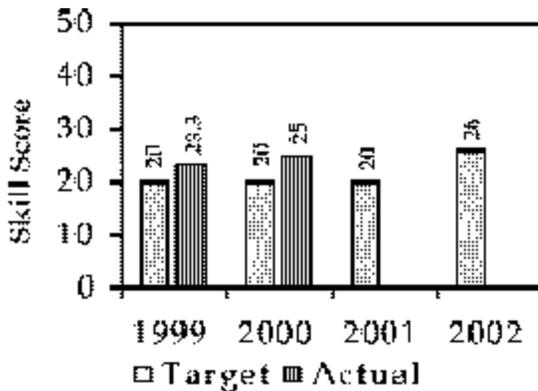
	FY 1999	FY 2000	FY 2001	FY 2002
Target	.85	.85	.85	.85
Actual	.85	.84		
Met / Not Met	Met	Not Met		

Explanation of Measure

Target not met. Although the .85 goal was not achieved for FY 2001, the difference between .84 and .85 is not statistically significant enough to be of practical importance.

The 1997–98 El Niño was the best monitored and most successfully predicted El Niño on record. NOAA provided advanced forecast of El Niño effects, leading to great savings to a variety of economic sectors. ENSO forecasts require a variety of data, such as ocean observations, remote satellite-based observations, and terrestrial measurements. This program is the only Federal effort aimed at providing forecasts of climate events and their consequent impact. Efforts will be undertaken to determine the limits in predictability of the atmosphere induced by tropical Pacific sea surface temperature changes; to diagnose and model the global response to warm, cold, and neutral States of the ENSO cycle; and to examine the changes in probabilities of extreme events induced by ENSO.

Measure 5b: U.S. temperature—skill score



Data Validation and Verification:

Data source: Forecast data, observations from U.S. Weather Forecast Offices (WFO), and from a cooperative network maintained by volunteers across the Nation.

Frequency: Annual

Data storage: NWS’s National Centers for Environmental Prediction, Camp Springs, Maryland

Verification: NOAA performs quality assurance analysis of the data (e.g., error checking, elimination of duplicates, interstation comparison) both at the national and WFO level.

Data Limitations: Given the difficulty of making advance temperature and precipitation forecasts for specific locations, a skill score of 20 is considered quite good and means the forecast was correct in almost 50 percent of the locations forecasted. Forecasts will likely be better in El Niño years than in non-El Niño years.

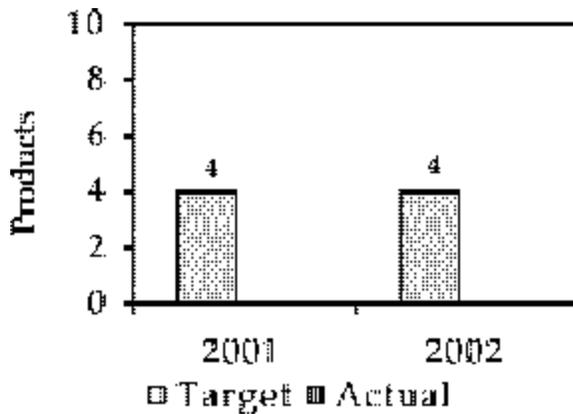
	FY 1999	FY 2000	FY 2001	FY 2002
Target	20	20	20	26
Actual	23.3	25		
Met / Not Met	Met	Met		

Explanation of Measure

Target met.

Accurate measures of temperature are critical to many sectors of the national economy, including agriculture and energy utilities. This measure compares actual observed temperatures with those forecasted from areas all across the country. For those areas of the United States where a temperature forecast (warmer than normal, cooler than normal, normal) is made, this score measures how much better the prediction is than the random chance of being correct. Skill score is based on a scale of -50 to +100. If forecasters match what would be predicted by random chance, the skill score is 0. Anything above 0 shows positive skill in forecasting. Given the difficulty of making advance temperature and precipitation forecasts for specific locations, a skill score of 20 is considered quite good and means the forecast was correct in almost 50 percent of the locations forecasted. Forecasts will likely be better in El Niño years than in non-El Niño years. Temperatures across the United States will be measured using NOAA’s cooperative network maintained by volunteers across the Nation. Temperature data will be collected and analyzed by NOAA.

Measure 5c: Number of new monitoring or forecast products that become operational per year



Data Validation and Verification:

Data source: NWS's Climate Prediction Center (CPC) and NESDIS's National Climatic Data Center (NCDC)

Frequency: Annual

Data Storage: NCDC

Verification: Products are reported to NOAA management at quarterly reviews.

Data limitations: The new products are a response to increasing customer demands for expanded NOAA climate information and services. New products will be subsequently monitored for use and, in the case of forecast products, current skill and projected improvements.

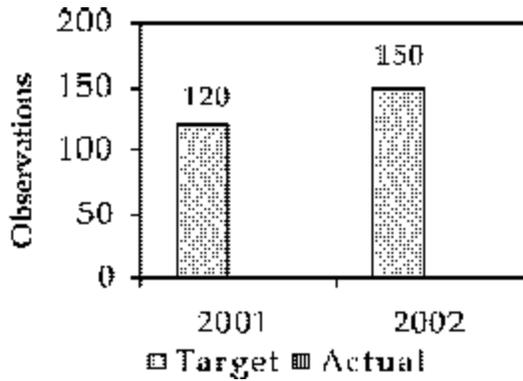
	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	4	4
Actual	New	New		
Met / Not Met	New	New		

Explanation of Measure

The Seasonal to Interannual Climate team will begin to report on this performance measure in FY 2001. This performance measure replaces the previous performance measure "New and improved data sets developed and produced (cumulative per year)." The new performance measure more adequately reflects the Seasonal to Interannual Climate team's commitment to public service by stressing products that are available for public usage rather than data sets. A major motivation for this change was the formation of the new NOAA Climate Observations and Services program. New products will be developed and tested through NOAA research and implemented operationally through CPC or NCDC, as appropriate. As these products are implemented, usage will be evaluated through data transfers and external constituent interactions.

Research advances provide the potential for NOAA to significantly expand its range of climate products and services, particularly in areas of high customer demand for information and where climate variability significantly affects national interests. Examples include improved information and forecasts on extreme climate events, such as droughts and floods, and development of new forecasts on time scales that are not currently included in NOAA's operational product line but where customer demand and interest is large and growing.

Measure 5d: New climate observations introduced



Data Validation and Verification:

Data source: Observations from data buoys, drifters, ships, satellites, etc.

Frequency: Annual

Data storage: Oceanic and Atmospheric Research laboratories, NESDIS NCDC.

Verification: NOAA performs quality assurance analysis, and performs data processing.

Data limitations: Percentages of observing platforms operational at a given time, analyses of data quality and errors; observations received in time to be incorporated in operational climate analyses and forecasts.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	120	150
Actual	New	New		
Met / Not Met	New	New		

Explanation of Measure

The Seasonal to Interannual Climate team will begin to report on this performance measure in FY 2001. NOAA is undertaking new efforts to better describe the atmosphere—ocean—land system to improve its climate monitoring and prediction capability. As a part of this effort, OAR and NESDIS will expand their existing observation systems, that is, data buoys and new satellites.

The oceans provide the largest source of potential predictability for the climate system as well as the potential to produce large climate surprises, and yet they are currently critically underobserved for certain variables and in many regions. This component will continue a long-term and sustained effort by NOAA to improve ocean observational capabilities and to increase the usefulness of observations for this critical part of the Earth’s climate system. An annual report will be completed detailing how these new climate observations increased data density and coverage and how they will be used in climate analysis and prediction.

NOAA’s actions include, as resources permit, expanding its ocean observing systems, focusing on the highest priority variables for climate monitoring and prediction, and addressing critical oceanic data voids. NOAA will also place high priority on improving the assimilation and optimal use of ocean observations in climate models that are used for its analyses and forecasts. Estimates will be obtained on reduction in analysis error that accompany increases in data quality, density, and coverage.

FY 2000 Program Evaluation for NOAA Performance Goal 5: Implement Seasonal to Interannual Climate Forecasts

A number of NOAA line offices participate in the seasonal-to-interannual performance goal. The Office of Oceanic and Atmospheric Research (OAR) conducts periodic reviews of the activities of its Environmental Research Laboratories. NESDIS holds management performance reviews several times a year. NWS conducts reviews of the National Centers for Environmental Prediction (NCEP). Programs are also evaluated by the

National Science Foundation and the National Research Council. NOAA holds annual constituent workshops at which NOAA's seasonal climate forecast efforts are discussed with the community of seasonal-to-interannual climate forecast users, and input is solicited to shape future efforts.

Discontinued Measures

New and improved data sets developed and produced (cumulative per year)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	19	25	Discontinued	Discontinued
Actual	19	25		
Met / Not Met	Met	Met		

Data Validation and Verification:

Data source: Satellite data sets from NOAA and DoD environmental satellites, and in situ data sets worldwide from ships, buoys, aircraft, and radiosondes.

Frequency: Annual

Data storage: National Environmental Satellite, Data, and Information Service's National Climatic Data Center in Asheville, North Carolina, and Office of Satellite Data Processing and Distribution in Suitland, Maryland.

Verification: NOAA performs quality control, including error checking, elimination of duplicates, and interstation comparison. In addition, for the satellite data, NOAA itself does the data processing.

Data Limitations: In the future, the National Oceanographic Data Center and the National Geophysical Data Center may also contribute to this performance measure, if funding levels permit. Compilation of the in situ data sets, particularly the global data sets, relies on continued international data exchange cooperation.

Explanation of Measure

NOAA collects in situ as well as satellite data over the oceans and land. The data are quality controlled and archived at NOAA. The data sets are used to calibrate, initialize, and verify forecasting models run by computers. In addition, these databases are valuable because they help monitor the current climate and provide a better understanding of historical climate variability.

This performance measure was replaced with the new performance measure, "Number of monitoring or forecast products that become operational per year." The new performance measure more adequately reflects the Seasonal to Interannual Climate team's commitment to public service by stressing products that are available for public use rather than data sets.

Global Ocean-Atmosphere-Land System experiments implemented (percentage)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	20	25	Discontinued	Discontinued
Actual	20	25		
Met / Not Met	Met	Met		

Data Validation and Verification:

Data source: Progress reports

Frequency: Annual

Data storage: NOAA Office of Global Programs, Silver Spring, Maryland

Verification: Progress is reported to NOAA management at quarterly reviews.

Data Limitations: The Global Ocean-Atmosphere-Land System program has been formulated to continue improvements in the prediction of ENSO, extend our understanding and predictive capability to include global seasonal-to-interannual climate variations, and develop the observational and computational means for predicting these variations. Should the program be prolonged due to, for example, unexpected research findings or fiscal constraints, the program could be extended and the percentage of the program completed could stall.

Explanation of Measure

The Global Ocean-Atmosphere-Land System (GOALS) program built upon the successful El Niño research of the recently completed Tropical Ocean-Global Atmosphere (TOGA) program. While TOGA made possible our ability to forecast El Niño up to a year in advance with useful skill, the forecasts were limited in that they focused on the evolution of the tropical Pacific and its related climate impacts. GOALS was designed to continue research necessary for continuous improvements of El Niño predictions and to extend predictability of climate fluctuations beyond the tropical Pacific to include the effects of the other tropical oceans, higher latitude oceans, and land surface processes on seasonal-to-interannual climate variability, particularly at higher latitudes. During the past 2 years, the NOAA GOALS program has evolved into the broader NOAA Climate Variability and Prediction (CLIVAR) program with regional focus in the Atlantic, Pacific, and Pan-America. As a result, tracking of the GOALS' performance measure will no longer be necessary.

Summary Actions Related to Performance Goal 5

Action Plan

Strategies	Activities
Improve our ability to forecast seasonal climate variability, including temperature and precipitation, to provide significant socioeconomic benefits to the United States, including the protection of life and property.	Implement climate predictions systems to deliver useful seasonal-to-interannual climate forecasts for the United States and collaborate in a multinational effort to generate and use similar forecasts.
Analyze, distribute, and archive information from climate observations and data systems to further build our research and forecasting efforts.	Expand global observing systems and improve data management systems required to provide data for the initialization and validation of model predictions of seasonal-to-interannual climate variations.
Emphasize research to improve our understanding of El Niño and other modes of climate variability, and improve models and accuracy of predictions with longer lead times.	Conduct and/or fund modeling research to improved predictions critical climate variables, including temperature and rainfall distributions.
Foster discussion and assessments with various user communities to ensure that they understand and benefit from our climate forecasts; solicit user input to generate more	Facilitate discussions among customers, researchers, and forecasters to improve both the usability of NOAA climate products and public education about available products and their importance.

Cross-Cutting Activities

Other Government Agencies

NOAA works with a wide variety of partners in the area of climate forecasts, including other Federal agencies (for example, *Federal Emergency Management Agency* and *the U.S. Agency for International Development*), State and local agencies (for instance, State departments of environmental protection and emergency preparedness managers), academia, foreign government agencies, and international organizations. In preparing for the 1997–98 El Niño, NOAA worked closely with FEMA and State and local officials, greatly improving the public preparedness for the severe weather resulting from El Niño.

External Factors and Mitigation Strategies

A major failure of Earth observing and computing infrastructure would impair NOAA's ability to produce seasonal-to-interannual forecasts. NOAA has been looking for backup outside the organization. For example, the Department of the Navy provides backup to the National Centers for Environmental Prediction mainframe computer.

An unanticipated major increase of the customer base for climate-related products may strain NOAA resources. In such an event, NOAA would prioritize its activities to meet the immediate increase in demand while it looks for alternative ways to meet the needs of all its customers.

Improving our understanding of the natural environment requires advanced infrastructure and, therefore, a continuous investment in new technology, such as supercomputers and environmental satellites.

Performance Goal 6: Predict and Assess Decadal to Centennial Change

Corresponding DOC Strategic Goal, Objective, and Strategy

Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth

Objective 3.2: Improve Understanding and Prediction of the Natural Environment

Rationale for Performance Goal

NOAA scientists provide policymakers with the scientific information and expert assessments necessary to make decisions on long-term global and regional environmental issues. NOAA research, conducted in conjunction with our national and international partners, contributes significantly to the understanding of these issues. Experts in these fields periodically compile, summarize, and evaluate the current state of scientific knowledge and report their findings in assessment documents. NOAA's research and authors and its review of these documents are essential to ensure the highest quality science is available to support important decisions on long-term climate issues.

Measure 6a: Document the "turnover" of CFC source gases (whose atmospheric abundance is expected to begin decreasing in 1998) in order to verify the effectiveness of global policy actions

	FY 1999	FY 2000	FY 2001	FY 2002
Target	1	N/A*	N/A*	TBD**
Actual	1	N/A*	N/A*	
Met / Not Met	Met	N/A*	N/A*	

* CFC assessment documents are produced every 3 to 5 years depending on the significance of the measured trends. In intervening years there are no results to report.

** Whether or not a report is issued in 2002 depends on the significance of the detected trends.

Data Validation and Verification:

Data source: Research from NOAA/OAR/Aeronomy Laboratory

Frequency: Periodic (approximately every 3-5 years)

Data storage: NOAA Aeronomy Laboratory, Boulder, Colorado

Verification: Data are taken using proven, peer-reviewed procedures. The results are also peer-reviewed by internationally qualified experts as part of the publication process.

Data Limitations: None.

Explanation of Measure

Chlorofluorocarbons (CFCs) are man-made pollutants that react with the natural environment of the upper atmosphere and cause damage to the Earth's protective ozone layer. Worldwide concern over the depletion of the ozone layer forced global policies that restrict CFC production. Policymakers rely on the community of atmospheric scientists to document if new regulations are decreasing CFCs and restoring the Earth's ozone

layer. Turnover of gases refers to the increase and decrease of specific gases in the atmosphere over time. NOAA activities collect information and produce reports for peer-reviewed publication. Five years is the period generally used to expect reasonable progress in a field so that a new assessment or report can be justified. Those products take 2¹/₂ to 3 years to produce. The scientific assessments of the state of our understanding of the stratospheric ozone depletion are sponsored by NOAA, the NASA, the United Nations Environmental Program, and the World Meteorological Organization. They are undertaken every 3 to 5 years based on scientific advancements. The fourth assessment was published in 1999. The fifth is presently under way and will be completed in the period 2002–04 depending on the significance of the detected trends.

Measure 6b: Publish updated trend results of air quality measurements

	FY 1999	FY 2000	FY 2001	FY 2002
Target	1	N/A*	1	N/A*
Actual	1	N/A*		
Met / Not Met	Met	N/A*		

* Updated air quality trend measurements are published every other year. In off years no measure is available.

Data Validation and Verification:

Data source: Research from NOAA/OAR/Aeronomy Laboratory

Frequency: Biennial

Data storage: NOAA/Air Resources Laboratory, Silver Spring, Maryland

Verification: Data are taken using proven, peer-reviewed procedures. The results are also peer-reviewed by internationally qualified experts as part of the publication process.

Data Limitations: Collection, analysis, and reporting of the data takes 2.5 to 5 years

Explanation of Measure

NOAA's mission includes the responsibility to publish scientific findings in peer-reviewed science literature and to communicate results to the public. This performance measure indicates how well long-term climate findings are being reported to a growing community of climate scientists and to an increasingly concerned public constituency. Five years is generally considered the time frame for which to expect reasonable progress in a field so that a new assessment or report could be justified. Those products take 2¹/₂ to 3 years to produce. NOAA's actions include collecting information and producing reports for peer-reviewed publication.

Measure 6c: Lead development of a peer-reviewed initial assessment of regional ozone in North America, including summarizing results for customers

	FY 1999	FY 2000	FY 2001	FY 2002
Target	1	N/A*	N/A*	N/A*
Actual	1	N/A*		
Met / Not Met	Met	N/A*		

* It generally takes 5 years to collect and analyze sufficient data to make significant statements about regional ozone. Data are being collected and analyzed in the years between the release of the reports; therefore, there is no performance measure to report.

Data Validation and Verification:**Data source:** Research from NOAA/OAR/Aeronomy Laboratory**Frequency:** Periodic (approximately every 3–5 years)**Data storage:** NOAA/Aeronomy Laboratory, Boulder, Colorado**Verification:** Data are taken using proven, peer-reviewed procedures. The results are also peer-reviewed by internationally qualified experts as part of the publication process.**Data Limitations:** Collection, analysis, and reporting of the data takes 2.5 to 5 years**Explanation of Measure**

NOAA's actions include collecting data and providing assessment of regional ozone and air quality. Regional ozone affects public health by reducing air quality. This measure will provide a baseline assessment of regional ozone in North America and provide vital data to air quality managers and decision-makers. Five years is the period generally considered reasonable to expect progress in a field so that a new assessment or report could be justified. Those products take 2½ to 3 years to produce. The assessments conducted under the North American Research Strategy for Tropospheric Ozone are conducted on a 3-to-5 year interval determined by the scientific advancements that have occurred and the perceived requirements for updates to Congress, the Office of Science and Technology Policy, and the Committee on Environment and Natural Resources.

Measure 6d: Results of 90 percent of the NOAA climate research activities cited in the 2001 IPCC Third Assessment of Climate Change

	FY 1999	FY 2000	FY 2001	FY 2002
Target	N/A*	N/A*	90% cited	N/A*
Actual	N/A*	N/A*		
Met / Not Met	N/A*	N/A*		

* The Intergovernmental Panel on Climate Change (IPCC) assessments are only published every 5 years. In off years there is no performance measure to report.

Data Validation and Verification:**Data source:** Research from NOAA/OAR/Aeronomy Laboratory**Frequency:** Periodic (approximately every 3–5 years)**Data storage:** NOAA Aeronomy Laboratory, Boulder, Colorado**Verification:** Data are taken using proven, peer-reviewed procedures. The results are also peer-reviewed by internationally qualified experts as part of the publication process.**Data Limitations:** None.**Explanation of Measure**

IPCC assessments provide the scientific, technical, and economic information used to evaluate the effects of human activities and natural variability on climate system and to evaluate strategies to reduce and respond to these effects. These assessments are conducted under the sponsorship of the World Meteorological Organization and the United Nations Environment Program and take several years to produce. They are undertaken every 3 to 5 years based on advancements in science. The current assessment was released in January 2001. NOAA climate research results in articles describing research methods, results, and conclusions. These articles are

published in peer-reviewed, scientific journals and become part of the permanent scientific record. This record is used to write the IPCC assessments. Over 90 percent of the research on climate performed by NOAA scientists was used (cited) as source material for the current assessment document. This measure was added in the FY 2001 Annual Performance Plan to reflect work NOAA has been doing for several years.

FY 2000 Program Evaluation for NOAA Performance Goal 6: Predict and Assess Decadal to Centennial Change

NOAA's programs are routinely evaluated by a variety of outside reviewers. The NOAA Science Advisory Board, made up completely of private sector, university, and other Federal agency scientists, provides input on climate and air quality research. NOAA's Office of Global Programs, funded in OAR's Climate and Global Change research line item, receives review from international science agencies, universities, and private sector scientists, as well as the National Research Council and the National Science Foundation. The NOAA Research Laboratories are reviewed on a regular basis. The Sea Grant Colleges are visited at least every 2 years by a review panel.

Discontinued Measures

None.

Summary Actions Related to Performance Goal 6

Action Plan

Strategies	Activities
Natural events and human activities can cause changes in climate. The atmospheric amounts of many greenhouse gases are increasing. This goal addresses understanding natural and human-induced greenhouse processes.	NOAA will continue long-term atmospheric monitoring and field programs, laboratory studies, and modeling to characterize the agents and processes that force decadal-to-centennial environmental change.
Research has highlighted the role of the oceans in climate change. Accurate simulations of the coupled air-sea system are essential for predicting and assessing climate variability.	NOAA will continue deployment of the Argo float network, maintain and upgrade existing monitoring network, and execute targeted field programs to understand the role of the ocean as a reservoir of both heat and carbon dioxide to address a major source of uncertainty in climate models.
A well-documented, long-term record of climate data is required to ascertain the sensitivity of the climate system to changes in atmospheric composition and the impact of climate change on socioeconomic, biogeochemical, and physical systems.	NOAA will enhance domestic and international weather networks, observing procedures, and information management systems to ensure a long-term climate record. NOAA will document present and past changes and variations in the climate system, including extreme events and rapid climate changes, using national and international observing networks, satellites, and paleoclimatic data.
A better definition of which substitutes are "ozone friendly" will help our chemical industry avoid production of a substitute that later proves to destroy unacceptable amounts of ozone.	NOAA will guide the rehabilitation of the ozone layer through monitoring programs that will provide the scientific basis for choices associated with ozone-depleting compounds and their replacements.
Stations that detect air quality must be upgraded and maintained to provide the required information to achieve a more effective Clean Air Act implementation.	NOAA will continue long-term atmospheric monitoring and field programs, laboratory studies, and modeling to provide the scientific basis for better air quality. This research will improve the understanding of high surface ozone episodes in rural areas. NOAA will strengthen the monitoring network to detect changes in air quality and improve the characterization of airborne fine particles.
Explanatory environmental models must be strengthened through better understanding of the atmospheric and oceanic processes to meet the challenges of understanding and foreseeing climate variability and long-term changes.	NOAA will develop models for the prediction of long-term climate change (including extreme events and rapid climate changes), carry out scientific assessments, and provide human impact information.

Cross-Cutting Activities

Intra-DOC

In partnership with the Technology Administration (TA) and the International Trade Administration (ITA) within the Department of Commerce, other Federal agencies, the private sector, and academia, NOAA is providing the foundation the United States will depend upon to lead new emerging global industries in economically and environmentally sustainable ways.

Other Government Agencies

NOAA depends strongly on universities to help accomplish its science objectives through a network of Joint and Cooperative Institutes and universities.

NOAA also funds academic researchers through competitive, peer-reviewed programs, including the Global Climate Change Program.

External Factors and Mitigation Strategies

The science of climate change crosses generations and has progressed through evolving technology. Our ability to accomplish measures of performance like these is contingent upon many external factors, including the advancement of climate change itself. While the time frame of these processes spans decades and even centuries, the reporting periods extend over years.

Improving our understanding of the natural environment requires advanced infrastructure and, therefore, a continuous investment in new technology, such as supercomputers and environmental satellites.

Performance Goal 7: Promote Safe Navigation

Corresponding DOC Strategic Goal and Objective

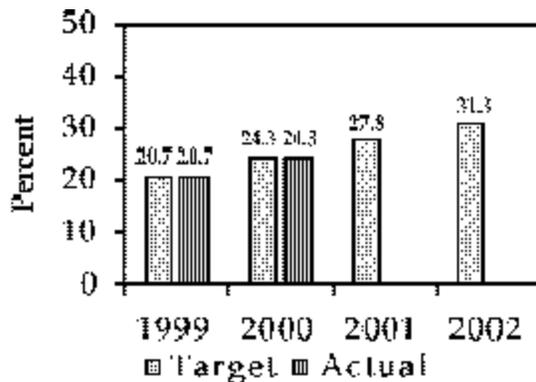
Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth

Objective 3.2: Improve Understanding and Prediction of the Natural Environment

Rationale for Performance Goal

NOAA serves commercial and recreational mariners around the Nation by providing these customers with nautical charts, tides and currents data, and geographic positioning data for safe navigation. Geodetic services are vital to the broader mapping and surveying industry nationwide. Shoreline data and real-time tides and currents information also serve the coastal resource management and oil spill/disaster response communities. NOAA continues to explore innovative ways to modernize its services in a cost-efficient manner to meet customer needs.

Measure 7a: Cumulative percentage reduction in the backlog (square nautical miles) of hydrographic surveys for critical areas



Data Validation and Verification:

Data source: Progress reports on data collected from hydrographic survey platforms.

Frequency: Annual

Data storage: National Ocean Service will store data and publish nautical charts.

Verification: National Ocean Service will apply established verification and validation methods.

Data Limitations: Progress in reducing the backlog is measured against a baseline value of 43,000 square nautical miles as determined in 1994. Weather can affect scheduled surveys.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	20.7	24.3	27.8	31.3
Actual	20.7	24.3		
Met / Not Met	Met	Met		

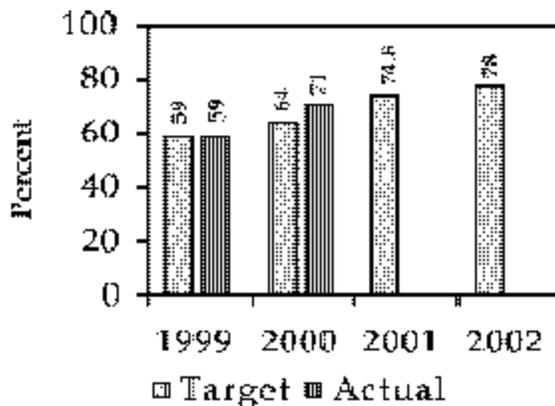
Explanation of Measure

Target met.

Hydrographic surveys are conducted to determine depths and the configuration of the bottoms of water bodies, especially as pertaining to navigation. This includes the detection, location, and identification of wrecks,

primarily through the use of side scan and multibeam sonar technology and the Global Positioning System (GPS). This information is critically important to the production of both paper and electronic navigational charts for safe and efficient navigation. In addition to the commercial shipping industry, other user communities that benefit include recreational boaters, the commercial fishing industry, port authorities, coastal zone managers, and disaster response planners. Ships traversing our coastal waters are relying on charts based on sounding data that are more than 50 years' old in many places. In 1994, NOAA identified 43,000 square nautical miles of seafloor in U.S. waters in critical need of resurvey, with over one-half of this area in Alaskan waters. Many of these high-priority areas carry heavy commercial traffic, are less than 30 meters deep, and are changing constantly. NOAA's surveying activities balance in-house resources with contracts and use the latest full bottom coverage sounding technologies to eliminate the remaining critical area backlog of approximately 32,500 square nautical miles in the Nation's ports, harbors, and other coastal areas. NOAA's hydrographic fleet supporting in-house surveying capabilities consists of the WHITING, RUDE, and RAINIER. The National Ocean Service will coordinate acquisition and processing of hydrographic surveys both in house and through contracts.

Measure 7b: Cumulative Percentage of NSRS completed enough to provide a common geographic framework tied to the GPS



Data Validation and Verification:

Data source: National Ocean Service/National Geodetic Survey (NGS), which defines and manages the NSRS, the foundation for the Nation's spatial data infrastructure

Frequency: Ongoing, annual reporting

Data storage: Automated database at National Ocean Service

Verification: National Ocean Service will apply standard verification and validation methods.

Data Limitations: Weather conditions, security, employment and funding issues can affect field operations. NGS also works cooperatively with State organizations; accommodating partners can also impact activities to some extent.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	59	64	74.8	78
Actual	59	71		
Met / Not Met	Met	Met		

Explanation of Measure

Target Met. This is a new measure to be included in the APP to replace the PORTS measure, which was discontinued due to lack of funding increases in 1999 and 2000. The NSRS performance measure is effective since it integrates the different components of the geodesy program into a product with more relevance to users rather than measuring individual components of horizontal and vertical positioning.

In order to meet the Nation's navigation and other positioning needs, NOAA is enhancing the National Spatial Reference System (NSRS) to provide the higher accuracy and accessibility needed for use with the space-based GPS, whose satellites transmit signals that allow determination of position, height, velocity, and time. The NSRS, a system of reference stations and monuments across the Nation, provides integrity to geographic coordinates obtained from GPS satellite signals for accurate positioning in support of numerous applications, including land

surveying, navigation, mapping, and infrastructure development such as 911 emergency response and scientific applications. New uses for GPS are being found every day, and many of them involve precision heights. NOAA launched its Height Modernization effort in 1998 to accelerate completion of the NSRS in three dimensions. Access to accurate, reliable, real-time height data can save time and money and protect lives, property, and the environment.

FY 2000 Program Evaluation for NOAA Performance Goal 7: Promote Safe Navigation

NOAA’s goal to promote safe navigation is evaluated at a variety of levels, from peer reviews of products, papers, and projects, to internal and external reviews of entire programs and quarterly reviews of NOAA’s overall performance in navigation products and services. Constituent input is an important part of the evaluation process and is solicited regularly through constituent workshops.

From 1992 to 1996, a number of National Research Council Marine Board studies examined the nautical charting program and its transition into the digital era. NOAA incorporated study recommendations on areas such as reducing the survey backlog, implementing new digital production techniques, and delivering new electronic chart products to the program. The Hydrographic Services Improvements Act of 1998 provided Congress and NOAA an opportunity to evaluate NOAA’s capabilities for acquisition and dissemination of hydrographic data, develop standards and formats for hydrographic services, and contract for the acquisition of hydrographic data. NOAA now contracts out over 50 percent of its annual critical area hydrographic survey requirements while maintaining Federal competence and expertise with existing and developing surveying technologies.

In 1998, Congress authorized the Height Modernization study to evaluate the technical, financial, legal, and economic aspects of modernizing the national height system with GPS. The study demonstrated the significant benefits to the Nation in terms of dollars and lives saved associated with GPS technology, and it led to current development of the vertical component of the NSRS. In 1999 NOAA completed an assessment of its tidal currents program to develop guidelines for future current surveys to update U.S. reference stations for the Tidal Current Tables. Finally, the September 1999 Report to Congress that assessed the U.S. Marine Transportation System (MTS) further articulated the need for coordinated Federal leadership to achieve the MTS vision of becoming the world’s most technologically advanced, safe, efficient, globally competitive, and environmentally responsible system for moving goods and people. NOAA’s navigation safety support functions underwent substantial review to identify opportunities for greater integration among Federal agencies.

Discontinued Measures

Number of PORTS in place to provide quality-assured data in real-time for safe navigation.

	FY 1999	FY 2000	FY 2001	FY 2002
Target	7	7	Discontinued	Discontinued
Actual	7	9		
Met / Not Met	Met	Met		

Data Validation and Verification:

Data source: National Ocean Service/Ocean Products Service Center automated database, which tracks system operation and equipment upgrades.

Frequency: Ongoing, annual reporting

Data storage: Automated database at National Ocean Service

Verification: National Ocean Service will apply standard verification and validation methods.

Data Limitations: Severe weather can impact the water level stations by knocking them off-line, affecting the accuracy of real-time data, or destroying them completely. This performance measure can also be impacted by maintenance schedules or the need to replace exiting equipment.

Explanation of Measure

NOAA dropped the PORTS performance measure because the effort received no funding increase in 1999, and the outlook at the time was not favorable for support in 2000; in addition, because the measure depended heavily on external partners, it was determined that it did not effectively capture NOAA's performance. The NSRS measure was adopted in its place to capture program effectiveness.

Summary Actions Related to Performance Goal 7

Action Plan

Strategies	Activities
Provide mariners with predictions and observations of water levels, tides and currents, and weather conditions in ports.	Increase access to quality-assured tide, current, meteorological and positioning data, particularly in real time, enabling commercial mariners to navigate in and out of ports efficiently and with confidence that they will not run aground.
Update nautical surveys to accurately chart the depth of the sea floor and identify obstructions to navigation. This survey activity will balance in-house resources with contracts and use the latest full bottom coverage sounding technologies.	Eliminate the remaining backlog of approximately 32,500 square nautical miles of the total 43,000 square nautical miles critical hydrographic surveys in the Nation's ports, harbors, and other coastal areas.
Build, maintain, and deliver a digital nautical charting database.	Create a digital nautical charting database to support new electronic charting systems that integrate satellite positioning, tidal heights and currents, radar and sonar, and navigational aids.
Enhance the NSRS using GPS to support the digital revolution in mapping, charting, and surveying. The ability of GPS to accurately measure heights is particularly important to marine surveying and navigation.	Develop an accurate national spatial reference system, as the Nation relies increasingly on the satellite GPS for surveying and navigation
Delineate the national shoreline using state-of-the-art technology to serve the Nation's navigational and coastal management requirements.	Provide accurate shoreline data, a critical component of nautical charts.

Cross-Cutting Activities

Intra-DOC

In partnership with the TA and NTIA within the Department of Commerce, and other civil agencies from all civil departments, NOAA participates on the Interagency GPS Executive Board, which with DoD jointly manages the GPS satellite program as a national asset. Now a dual-use system heavily employed by civilian and commercial sectors, GPS is a global information utility that the United States has committed to provide free to the world for use as the international standard for navigation, positioning, and timing.

Other Government Agencies

NOAA works closely with agencies such as the *Department of Transportation*, the *U.S. Coast Guard*, and the *U.S. Army Corps of Engineers* in support of Marine Transportation System goals and objectives to identify and improve navigation services for maritime commerce while preserving navigation and environmental safety. NOAA and the *Department of Transportation* also cooperate on the development of the Nationwide Differential GPS System, which employs NOAA's Continuously Operating Reference Stations to enable highly accurate GPS positioning in three dimensions across the Nation. This system benefits from a multipurpose cooperative effort between government, academia, and the commercial sector, and supports numerous NOAA objectives and activities.

External Factors and Mitigation Strategies

Weather has a significant impact on the promotion of safe navigation activities. Both in-house and contract hydrographic survey schedules can be affected by adverse weather conditions (storms, winds, high seas) and equipment failure, as can aerial photography flights scheduled for shoreline photogrammetry. Storm damage frequently renders water-level stations inoperable, affecting surveying capabilities and real-time observations of water levels and currents so critical to safe navigation. Natural disasters such as earthquakes and hurricanes can elevate the critical priority of an area because of shoreline changes or obstruction accumulation; man-made impacts such as shifts in shipping patterns, newly regulated shipping lanes, port expansions, or wrecks will also increase NOAA's designated critical areas. NOAA also receives requests to survey areas not identified as critical. For example, ship groundings frequently prompt requests from the Coast Guard and others to survey "noncritical" areas, diverting efforts away from the survey schedule. Finally, in addition to mission activities, NOAA ships and aircraft provide immediate response capabilities for unpredictable events such as recovery and search efforts after the TWA Flight 800 and EgyptAir Flight 990 crashes, damage assessments after major oil spills such as the Exxon Valdez, the Persian Gulf War and the New Carissa, and severe hurricanes. NOAA mitigates the impacts of weather, disaster events, and equipment malfunction with backup plans for relocating assets to other projects, or by reassessing schedules for other windows of opportunity.



United States Patent and Trademark Office

Mission Statement

The U. S. Patent and Trademark Office promotes industrial and technological progress in the United States and strengthens the economy by: Administering the laws relating to patents and trademarks while ensuring the creation of valid and prompt intellectual property rights. Advising the Secretary of Commerce, the President of the United States, and the Administration on all domestic and global aspects of intellectual property.

Priorities

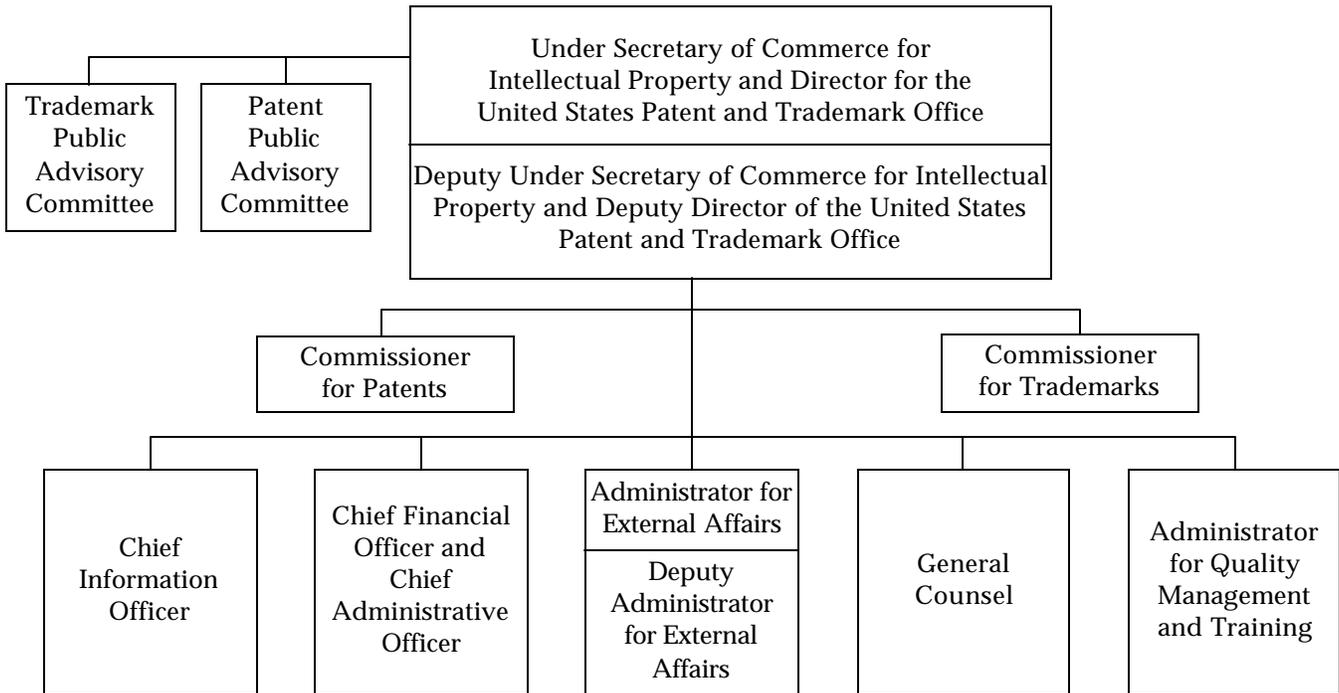
- Enhance the quality of products and services.
- Transition to e-government.
- Optimize processing time.

The American intellectual property system has played a unique role in the history of our country's economy. Patents and trademarks have protected American creativity and ingenuity from agrarian times—the first patent was issued in 1790 for a method of making potash fertilizer—to today's world of high technology. The strength and vitality of our economy depends directly on the effectiveness of the mechanisms that protect new ideas and investments in innovation. The continued growth and increase in applications for patents and trademark registrations underscore the ingenuity of U.S. inventors and entrepreneurs. Since 1790, when Congress enacted the first patent law, the U.S. Patent and Trademark Office (USPTO) has been at the cutting edge of our nation's technological progress and achievement.

The primary services provided by USPTO include processing patent and trademark applications and disseminating patent and trademark information. Through the issuance of patents, we encourage technological advancement by providing incentives to invent, invest in, and disclose new technology worldwide. Through the registration of trademarks, we assist businesses in protecting their investments, promoting quality goods and services, and safeguarding consumers against confusion and deception in the marketplace. By disseminating both patent and trademark information, we promote an understanding of intellectual property protection and facilitate the development and sharing of new technologies worldwide.

With the passage of the American Inventors Protection Act of 1999, USPTO was established as an agency within the Department of Commerce. The Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office carries out dual responsibilities: advising the Secretary of Commerce, the President of the United States, and the Administration on all domestic and global aspects of intellectual property, and managing and directing USPTO. The new USPTO is explicitly responsible for decisions regarding the management and administration of its operations, and has independent control of many major management functions. Patent operations and trademark operations are treated as separate operating units.

Organizational Structure



Management Challenges

Workload and IT Challenges

Our patent and trademark workloads have been increasing at significant rates. In FY 2001, we expect to receive 335,000 utility, plant, and reissue (UPR) patent applications (including 7,500 refilings) and 450,000 trademark application classes. This would represent a 12 percent increase in patent applications (excluding refilings) and a 20 percent increase in trademark applications over the filings received in FY 2000.

We cannot rely solely on hiring additional personnel to manage our increasing workloads. We must also make critical investments in information technology systems and reengineered processes now if we are to manage our future workloads. The diversion of fee collections away from USPTO means that we have had to forego these investments to focus instead on the immediate need to process current workloads. If the diversion of fees away from USPTO continues, we will be unable to avoid further tradeoffs and concessions of this nature and our future workload processing will suffer.

Space Requirements and Financing

On June 1, 2000, the General Services Administration (GSA) signed a lease award to LCOR Alexandria, L.L.C. (LCOR) for the USPTO space consolidation project. In partnership with USPTO and LCOR, GSA held a groundbreaking ceremony on January 17, 2001; we expect to begin moving into the new headquarters in Alexandria in late 2003 and to achieve full occupancy by 2004. Our management challenge is to ensure that USPTO is able to invest the resources needed to effect a smooth transition to the new facility.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

The American Inventors Protection Act of 1999 (AIPA) was signed into law (P.L.106-113) on November 29, 1999. This legislation designated the USPTO as an agency of the United States within the Department of Commerce, receiving intellectual property policy direction from the Secretary of Commerce. At the same time, the new USPTO became responsible for decisions regarding the management and administration of its operations and gained independent control of major management functions.

In fiscal year 2000, the USPTO updated its strategic plan and took a fresh look at its goals and initiatives. The USPTO developed a framework of performance indicators that better defines service from the perspective of our customers. These performance indicators are related directly to the day-to-day management of the USPTO and are part of the Performance Agreements between the Secretary of Commerce and the Commissioner for Patents and the Commissioner for Trademarks which are required as a result of the AIPA. The performance indicators are contained in our Corporate Plan where they are linked to our budget priorities and initiatives, and identified in the Balanced Scorecards we use to assist our operations in moving from ideas to action, achieving long-term goals, and obtaining feedback about strategy.

The USPTO has transitioned from four performance goals in the FY 2000 and FY 2001 Annual Performance Plans (APP) to three performance goals in the combined FY 2000 Annual Program Performance Report/FY 2002 Annual Performance Plan. Additionally, four of the performance measures have revised FY 2000 and FY 2001 targets. The FY 2000 and FY 2001 Performance Agreements were established after the publication of the FY 2000 and FY 2001 APP.

Performance Goal 1: Strengthen intellectual property protection in the United States and abroad, making it more accessible, affordable, and enforceable						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Increase in technical assistance to developing countries and countries moving to market economy: Number of technical assistance activities completed	90	99	102	106	105	125

Performance Goal 2: Enhance the quality of patent products and services, transition to E-government, and optimize patent processing time						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Percent of customers satisfied overall	65%	57%	60%	64%	67%	64%
Percent of patents granted that do not qualify for term extension for exceeding 36 months	New	New	New	New	86%	78%
Average pendency to issue/abandonment (months)	23.3	25.0	26.2	25.0	26.2	26.7

Performance Goal 3: Enhance the quality of trademark products and services, transition to E-government, and minimize trademark processing time						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Percent of customers satisfied overall	80%	69%	72%	65%	65%	60%
Average time to examiner's first action (months)	3.9	4.6	4.5	5.7	6.6	8.0
Average time to disposal or registration (months)	15.5	18.9	18.0	17.3	19.0	20.0

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY 1999 Request	FY 2000 Actual	FY 2000 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1						
Total Funding	16.1	21.9	23.1	35.4	35.4	37.3
IT Funding*	4.2	3.7	4.7	5.4	5.4	5.5
FTE	85	139	121	152	152	178
Performance Goal 2						
Total Funding	669.5	771.8	738.8	869.1	869.1	960.2
IT Funding*	101.5	125.7	126.7	159.5	159.5	163.5
FTE	4,919	5,624	5,136	6,160	6,160	5,629
Performance Goal 3						
Total Funding	118.0	128.3	133.4	134.2	134.2	141.5
IT Funding*	29.3	25.8	34.7	32.8	32.8	33.7
FTE	856	1,038	871	1,137	1,137	942
Grand Total						
Total Funding	803.6	922	895.3	1,038.7	1,038.7	1,139.0
Reimbursable **	0.3	0.2	0.6	0.2	0.2	0.2
IT Funding*	135.0	155.2	166.1	197.7	197.7	202.7
FTE	5,860	6,801	6,128	7,449	7,449	6,749

*IT Funding included in Total Funding

** Reimbursable Funding included in Total Funding

Skill Summary

Knowledge of global intellectual property rights systems and policies; expertise in intellectual property law and appropriate scientific and technical disciplines.

FY 2002 Performance Goals

Performance Goal 1:

Strengthen intellectual property protection in the United States and abroad, making it more accessible, affordable, and enforceable

Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

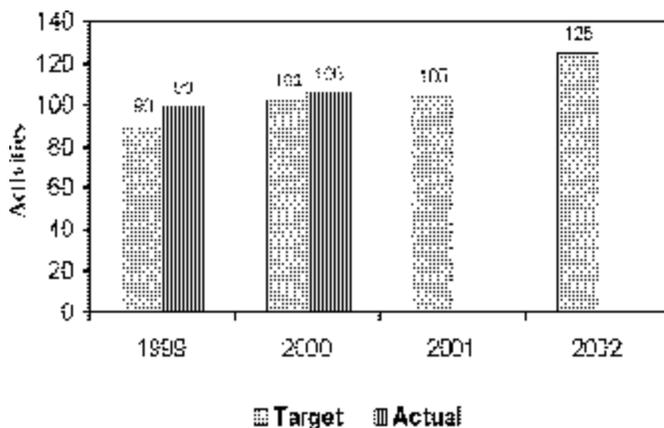
Objective 2.2: Protect intellectual property

Rationale for Performance Goal

Providing technical assistance to nationals of foreign countries is one method of promoting U. S. competitiveness in the global marketplace. Assistance also strengthens and safeguards our nation's economic infrastructure by indirectly promoting and shaping intellectual property throughout the world. USPTO provides seminars and technical training to officials in countries on reforming their intellectual property structures.

Measure 1a: Increase technical assistance to developing countries and countries moving to market economy: Number of technical assistance activities completed

	FY 1999	FY 2000	FY 2001	FY 2002
Target	90	102	105	125
Actual	99	106		
Met/Not Met	Met	Met		



Data Validation and Verification

Data source: Internal records maintained by the Administrator for External Affairs

Frequency: Annual

Data storage: Records of the Administrator for External Affairs

Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Explanation of Measure

Target met. The target for the number of technical activities completed was exceeded due to the increased level of requests for assistance received by USPTO. Based on performance in FY 1999 and FY 2000, the FY 2001 performance target has been adjusted upward. To protect, promote, and expand intellectual property (IP) rights abroad, USPTO engaged in numerous international activities, such as intellectual property enforcement training. USPTO and the World Intellectual Property Organization (WIPO) cosponsored three intellectual property enforcement programs in FY 2000 for government officials from more than 20 countries. The programs provided high-level government and law enforcement officials with an in-depth review of the Trade Related Aspects of Intellectual Property (TRIPs) agreement's substantive and enforcement provisions, and an understanding of how to create an effective IP enforcement system to protect rights in the digital era. USPTO also partnered with WIPO to cosponsor regional seminars focusing on Internet enforcement for countries in West Africa and Asia, and hosted a similar program for countries in the western hemisphere.

FY 2000 Program Evaluation for USPTO Performance Goal 1: Strengthen intellectual property protection in the United States and abroad, making it more accessible, affordable, and enforceable

- USPTO continued its annual self-assessment process using the Baldrige criteria to project key requirements for delivering ever-improving value to customers while maximizing overall effectiveness and productivity of the delivering organization. The results of the review helped us to identify key opportunities for improvement and to prioritize the use of our scarce resources. As a result of the assessment, USPTO formalized a systematic strategic planning process and a performance management system that was used to establish linkages between organizational goals; we also initiated the use of balanced scorecards in each organization to track performance from the financial, customer, employee, and business results perspectives.
- In FY 2000, USPTO conducted internal and external customer surveys, customer service training for employees, and supported a wide variety of customer feedback activities. We need customer input to ensure that activities geared toward improving products and services are supportive of customer needs and expectations, and we seek this input through the use of focus groups, partnership meetings, technology fairs, workshops, and publicity campaigns. Customer feedback is taken into consideration when planning future activities.

Discontinued Measures

None

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
Partner and negotiate with foreign patent and trademark organizations. Increase technical assistance to developing countries	<ul style="list-style-type: none"> • Partner with other Federal and international government agencies to provide seminars and technical training • Maintain and develop leadership roles in intellectual property rights; e.g., fund Joint Council on Intellectual Property Enforcement

Cross-Cutting Activities

Intra-DOC

None

Other government agencies

USPTO partners with the following organizations in meeting this performance goal:

- *U. S. Trade Representative*: To assess trade issues especially as they relate to Special 301 and TRIPs, and to review laws for TRIPs compliance.
- *Department of Justice, the U.S. Bureau of Customs and the Federal Bureau of Investigation*: To provide technical assistance to developing countries, develop methods for combating piracy and counterfeiting of U.S. goods in foreign countries, and to jointly chair the Intellectual Property Enforcement Council.
- *United States Agency for International Development (USAID)*: To provide technical assistance to developing countries.

External Factors and Mitigation Strategies

- USPTO requires an invitation from the host country before we can provide technical assistance related to intellectual property in that country.

**Performance Goal 2:
Enhance the quality of patent products and services, transition to
E-government, and optimize patent processing time**

Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

Objective 2.2: Protect intellectual property

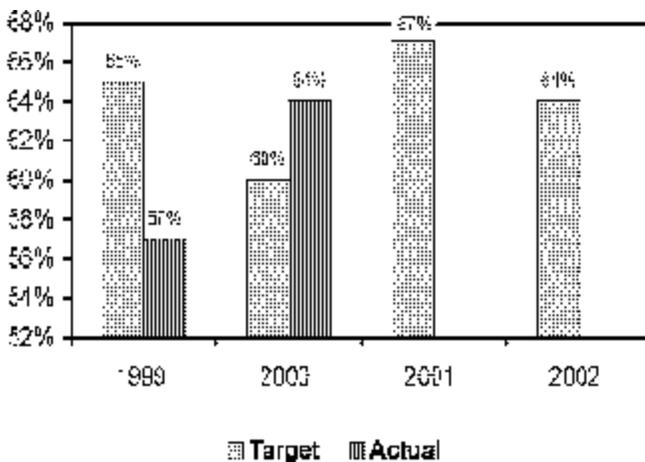
Rationale for Performance Goal

A decision on patentability must be of high quality and rendered on a timely basis due to its influence on investment, development, marketing strategies, and ultimately on the financial viability of U.S. businesses.

USPTO must move aggressively to conduct business in an e-government environment. Our customers expect us to use the latest information technology to improve our business quality and efficiency. All automation initiatives must be predicated on their capability to improve our business processes.

Measure 2a: Percent of customers satisfied overall

	FY 1999	FY 2000	FY 2001	FY 2002
Target	65%	60%	67%	64%
Actual	57%	64%		
Met/Not Met	Not Met	Met		



Data Validation and Verification

Data source: Customer surveys
Frequency: Surveys are conducted and results reported annually
Data storage: Paper files and electronic files with contractor
Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Explanation of Measure

Target exceeded. FY 2000 and FY 2001 targets were revised based on Performance Agreements between the Commissioner for Patents and the Secretary of Commerce (performance agreements are a statutory requirement of the American Inventors Protection Act of 1999, Sec. 4713). According to the FY 2000 annual customer survey,

customer satisfaction with the patent process increased 7 percentage points compared to the previous year. We will maintain our focus on quality improvement measures such as the sharing of information among employees, training, analysis of customer feedback, and the provision of better tools to examiners.

Measure 2b: Percent of patents granted that do not qualify for term extension for exceeding 36 months

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	86%	78%
Actual				
Met/Not Met				

Data Validation and Verification

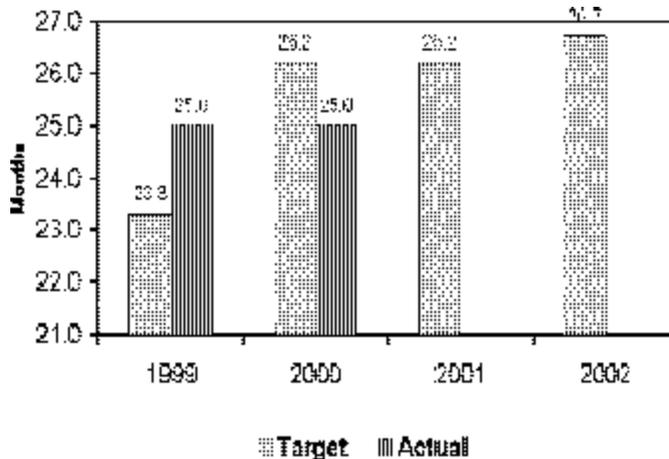
Data source: Patent Application Location and Monitoring (PALM)
Frequency: Input: daily; reporting: monthly
Data storage: PALM, automated systems, reports
Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Explanation of Measure

This is a new performance measure. As a result of the American Inventors Protection Act (AIPA), Public Law 106-113, USPTO has established new goals and performance measures and undertaken a comprehensive review and reorganization of business practices. The AIPA legislation provides a guarantee that seeks to ensure that diligent applicants maximize the term of their patent. The two main areas of the patent term adjustment provisions provide that the issuance of a first Office action later than 14 months from the filing date or issuance of a patent later than 36 months from the filing date will result in a commensurate restoration of patent term to the diligent applicant.

Measure 2c: Average pendency to issue/abandonment (months)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	23.3	26.2	26.2	26.7
Actual	25.0	25.0		
Met/Not Met	Not Met	Met		



Data Validation and Verification

Data source: PALM

Frequency: Input: daily; reporting: monthly

Data storage: PALM, automated systems, reports

Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Explanation of Measure

Target exceeded. This performance measure is new and did not appear in the Department's FY 1999 or FY 2000 annual performance plans; however USPTO has used this measure for several years and has targets and actuals for previous fiscal years. Average pendency is measured from the time of filing to the time of issue or abandonment.

FY 2000 Program Evaluation for USPTO Performance Goal 2: Enhance the quality of patent products and services, transition to E-government, and optimize patent processing time

- USPTO conducted ongoing reviews on the quality of patent examination. The purpose of the reviews is threefold: to identify patentability errors, assess adequacy of the field of search and proper classification, and to assess proper examination practice and procedures. The information from these reviews helps the patent business units identify the training that is necessary to enhance overall product quality and to improve the consistency of examination. The results of the reviews provide analysis in the form of reports to USPTO management. These reports serve as a basis for developing training tools for educating examiners. In addition to reporting specific errors, the analysis provides information on recurring problems and trends.
- USPTO continued its annual self-assessment process using the Baldrige criteria to project key requirements for delivering ever-improving value to customers while maximizing overall effectiveness and productivity of the delivering organization. The results of the review helped USPTO to identify key opportunities for improvement and to prioritize the use of our scarce resources. As a result of the assessment, we have formalized a systematic strategic planning process and a performance management system that we used to establish linkages between organizational goals, and we have initiated the use of balanced scorecards in each organization to track performance from the financial, customer, employee, and business results perspectives.
- USPTO conducted internal and external customer surveys and customer service training for employees, and also supported a wide variety of customer feedback activities. We need customer input to ensure that activities geared toward improving products and services are supportive of customer needs and expectations, and we seek this input through focus groups, partnership meetings, technology fairs, workshops, and publicity campaigns. Customer feedback is taken into consideration when planning future activities.

Discontinued Measures

Measure: Average cycle time of original inventions processed (months)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	10.9	102	Discontinued	Discontinued
Actual	12.9	NA		
Met/Not Met				

Data Validation and Verification

Data source: Automated systems (Patent Application Locator and Monitoring-PALM)

Frequency: Input: daily; reporting: monthly

Data storage: PALM, automated systems, reports

Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Explanation

This performance measure has been superseded by the American Inventors Protection Act (AIPA) of 1999, Public Law 106-113, which was enacted in November 1999. Existing resources were dedicated to tracking the new measures required by AIPA rather than tracking former measures.

Measure: Workload cost indicator

	FY 1999	FY 2000	FY 2001	FY 2002
Target	\$2,496.03	\$2,646.99	Discontinued	Discontinued
Actual	\$2,494.20	NA		
Met/Not Met	Met			

Explanation

The USPTO has transitioned from four performance goals in the FY 2000 and FY 2001 Annual Performance Plans (APP) to three performance goals in the combined FY 2000 Annual Program Performance Report/FY 2002 Annual Performance Plan hence FY 2000 actuals were not tracked.

Summary Actions Related to Performance Goal 2

Action Plan

Strategies	Activities
Improve quality and processes	<ul style="list-style-type: none"> • Maintain quality activities such as incentives to recruit and retain electrical engineers and examiners in hard-to-fill disciplines; shift formality functions from patent examiners to support staff; and maintain search capabilities • Increase the special salary rates for patent professional employees in exchange for reduced reliance on paper files
Enhance human resources	Address the 12 percent increase in patent application filings by replacing patent examiner attritions and providing them with appropriate technical support and address AIPA operational issues
Leverage technology	Continue to develop electronic patent application processing capability and maintain current information technology systems and infrastructure

Cross-Cutting Activities

Intra-DOC

None

Other government agencies

USPTO partners with the following organizations in meeting this performance goal:

- Departments of Agriculture, Justice and State: To formulate intellectual property proposals.
- USAID: To improve systems for effectively granting and protecting intellectual property rights.
- Departments of Defense, Energy, and NASA: To handle patent applications that have national security implications.
- Department of Health and Human Services: To handle both AIDS-related and recombinant DNA information.

External Factors and Mitigation Strategies

- Business factors that foster dramatic increases or decreases in patent application filings.
- The degree to which inventors, patent firms, and corporate IP departments move to an e-government environment.

**Performance Goal 3:
Enhance the quality of trademark products and services, transition to E-government, and minimize trademark processing time**

Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

Objective 2.2: Protect intellectual property

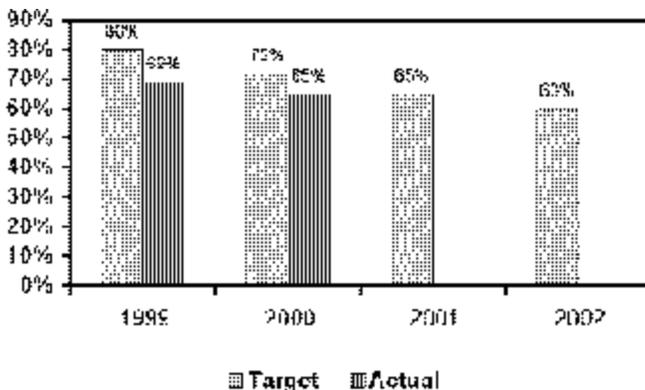
Rationale for Performance Goal

USPTO must create a structure capable of managing the recent unprecedented growth in application filings in order to maximize the business potential of trademarks and to contain the cost of trademark application processing. The recent high demand for trademark registrations dictates that we change our business approach to serving our customers.

USPTO must move aggressively to conduct business in an e-government environment. Electronic filing and communication provides benefits to our customers by reducing the time it takes to process initial application information and therefore by increasing public access to trademark information. Our customers expect us to use the latest information technology to improve our business quality and efficiency. All automation initiatives must be predicated on their capability to improve our business processes. We intend to build on our investments in information technology to ultimately replace our paper-based processes with electronic filing and information dissemination, in order to serve more customers with better quality results.

Measure 3a: Percent of customers satisfied overall

	FY 1999	FY 2000	FY 2001	FY 2002
Target	80%	72%	65%	60%
Actual	69%	65%		
Met/Not Met	Not Met	Not Met		



Data Validation and Verification

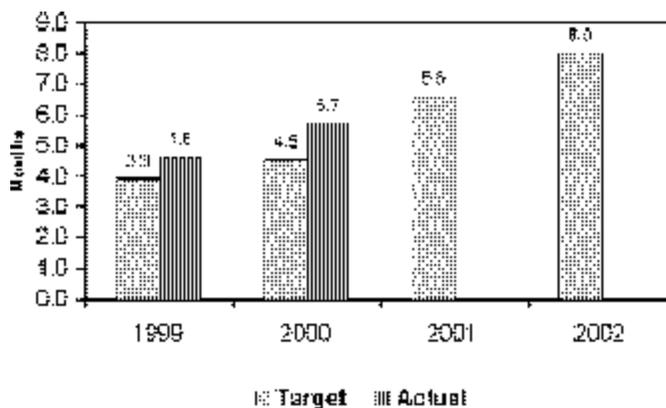
Data source: Customer surveys
Frequency: Surveys are conducted and results reported annually
Data storage: Paper files and contractors' electronic files
Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Explanation of Measure

Target not met. FY 2000 and FY 2001 targets were revised based on the Performance Agreement between the Commissioner for Trademarks and the Secretary of Commerce (performance agreements are a statutory requirement of the American Inventors Protection Act of 1999, Sec. 4713). Customer satisfaction efforts are focused on internal processing issues relating to timeliness and the handling of delays and mistakes, two problem areas that, although improved in the last quarter, still require further attention and improvement.

Measure 3b: Average time to examiner's first action (months)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	3.9	4.5	6.6	8.0
Actual	4.6	5.7		
Met/Not Met	Not Met	Not Met		



Data Validation and Verification

Data source: Trademark Reporting and Monitoring System (TRAM)

Frequency: Input: daily; reporting: monthly

Data storage: TRAM/Trademark Information System

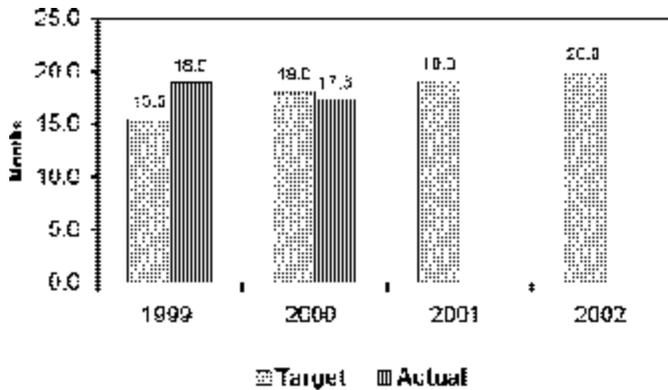
Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Explanation of Measure

Target not met. FY 2000 and FY 2001 targets were revised based on the Performance Agreement between the Commissioner for Trademarks and the Secretary of Commerce (performance agreements are a statutory requirement of the American Inventors Protection Act of 1999, Sec. 4713). In FY 2000, USPTO received 375,428 trademark classes for registration. Application filings increased 27 percent. Increases of this magnitude help explain why trademark pendency to first Office action was 5.7 months, an increase of 1.1 months over the prior year. Meeting the target remains a challenge. To the extent resources are available, we propose to increase hiring and to invest in technology and new ways of doing business in order to complete this increased workload.

Measure 3c: Average time to disposal or registration (months)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	15.5	18.0	19.0	20.0
Actual	18.9	17.3		
Met/Not Met	Not Met	Met		



Data Validation and Verification

Data source: TRAM transactions

Frequency: Input: daily; reporting: monthly

Data storage: TRAM/Trademark Information System

Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Explanation of Measure

Target met. FY 2000 and FY 2001 targets were revised based on the Performance Agreement between the Commissioner for Trademarks and the Secretary of Commerce (performance agreements are a statutory requirement of the American Inventors Protection Act of 1999, Sec. 4713). Overall pendency to registration decreased by 1.6 months to 17.3 months. Reducing the time to issue registrations is a significant accomplishment given the level of new filings and our inventory of pending applications. In FY 2000, USPTO issued 106,383 trademark registrations, including 127,794 classes, representing an increase of more than 21 percent over the number of registrations issued in 1999.

FY 2000 Program Evaluation for USPTO Performance Goal 3: Enhance the quality of trademark products and services, transition to E-government, and minimize trademark processing time

- USPTO conducted ongoing reviews on the quality of trademark examination. The review of trademark applications looked at four areas: substantive statutory criteria for registrability; search for confusingly similar marks; proper examination practice and procedure; and proper application of judicial precedents. The information from these reviews helps the business units identify the training that is necessary to enhance overall product quality and to improve the consistency of examination. The results of the reviews provide analysis in the form of reports to USPTO management. These reports serve as a tool for educating examiners and examining attorneys. In addition to reporting specific errors, the analysis provides information on recurring problems and trends.
- USPTO continued its annual self-assessment process using the Baldrige criteria to project key requirements for delivering ever-improving value to customers while maximizing overall effectiveness and productivity of the delivering organization. The results of the review helped us to identify key opportunities for improvement and to prioritize the use of our scarce resources. As a result of the assessment, we formalized a systematic strategic planning process and a performance management system that we used to establish linkages between organizational goals, and we initiated the use of balanced scorecards in each organization to track performance from the financial, customer, employee, and business results perspectives.
- USPTO conducted internal and external customer surveys, customer service training for employees, and supported a wide variety of customer feedback activities. We need customer input to ensure that activities geared toward improving products and services are supportive of customer needs and expectations, and we seek this input through focus groups, partnership meetings, technology fairs, workshops, and publicity campaigns. Customer feedback is taken into consideration when planning future activities.

Discontinued Measures

Measure: Workload cost indicator

	FY 1999	FY 2000	FY 2001	FY 2002 Target
Target	\$450.85	\$495.95	Discontinued	Discontinued
Actual	\$557.87	NA		
Met/Not Met	Not Met			

Explanation:

This performance measure has been discontinued. The USPTO has transitioned from four performance goals in the FY 2000 and FY 2001 Annual Performance Plans (APP) to three performance goals in combined FY 2000 Annual Program Performance Report/FY 2002 Annual Performance Plan hence FY 2000 actuals were not tracked.

Summary Actions Related to Performance Goal 3

Action Plan

Strategies	Activities
Improve quality and processes	Maintain the quality of trademark products by providing new trademark examiners with on-the-job training and access to search tools and operate and maintain automated trademark production search systems
Enhance human resources	Address the projected increase in trademark applications by replacing examining attorneys attritions, providing appropriate technical support, and implementing a group productivity incentive award program (FY 2000 was the second consecutive year that applications increased by 27 percent)
Leverage technology	Continue to develop electronic trademark application processing capability and maintain current information technology systems and infrastructure

Cross-Cutting Activities

Intra-DOC

None

Other government agencies

USPTO partners with the following organization in meeting this performance goal:

The U. S. Bureau of Customs: To deal with counterfeit goods or services.

External Factors and Mitigation Strategies

- Business factors that foster dramatic increases or decreases in trademark application filings.
- Electronic filing increases access to the registration system and raises expectations for improved service and shorter time to registration.
- Cooperation of our constituency to change the way they do business so that we can serve more customers electronically, thereby improving quality and timeliness.

Discontinued Goals and Measures

Performance Goal 4 “Promote awareness of and provide effective access to patent and trademark information” in the FY 2000 and FY 2001 Annual Performance Plan has been discontinued as a result of USPTO’s implementation of the AIPA which resulted in updating its strategic plan in FY 2000 by taking a fresh look at its goals and initiatives. Hence the following measures associated with performance goal 4 have been discontinued.

Measure: Percentage of key products and services meeting schedules or cycle time of standards

	FY 1999	FY 2000	FY 2001	FY 2002
Target	80	80	Discontinued	Discontinued
Actual	64			
Met/Not Met	Not Met			

Data Validation and Verification

Data source: Internal IDO records; automated systems (the Order Entry Management System and the Patent and Trademark System; customer surveys

Frequency: Quarterly

Data storage: Program reports and automated systems; automated systems; reports

Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Measure: Customer satisfaction with key products and services

	FY 1999	FY 2000	FY 2001	FY 2002
Target	90	Conducted every two years	Discontinued	Discontinued
Actual	75			
Met/Not Met	Not Met			

Data Validation and Verification

Data source: Customer surveys

Frequency: Surveys conducted and results reported every two years

Data storage: Paper report; electronic file with contractor

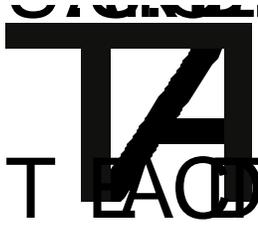
Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally

Measure: Workload cost indicator

	FY 1999	FY 2000	FY 2001	FY 2002
Target	\$8.66	\$8.90	Discontinued	Discontinued
Actual	\$14.19			
Met/Not Met	Not Met			

Explanation:

The USPTO has transitioned from four performance goals in the FY 2000 and FY 2001 Annual Performance Plans (APP) to three performance goals in the combined FY 2000 Annual Program Performance Report/FY 2002 Annual Performance Plan hence FY 2000 actuals for the above measures were not tracked.



Technology Administration

Mission Statement

The Technology Administration's mission is to work with U.S. industry to maximize technology's contribution to U.S. economic growth by maintaining and improving key components of the nation's technological infrastructure; fostering the development, diffusion, and adoption of new technologies and leading business practices; creating a business and policy environment conducive to innovation; and disseminating technical information.

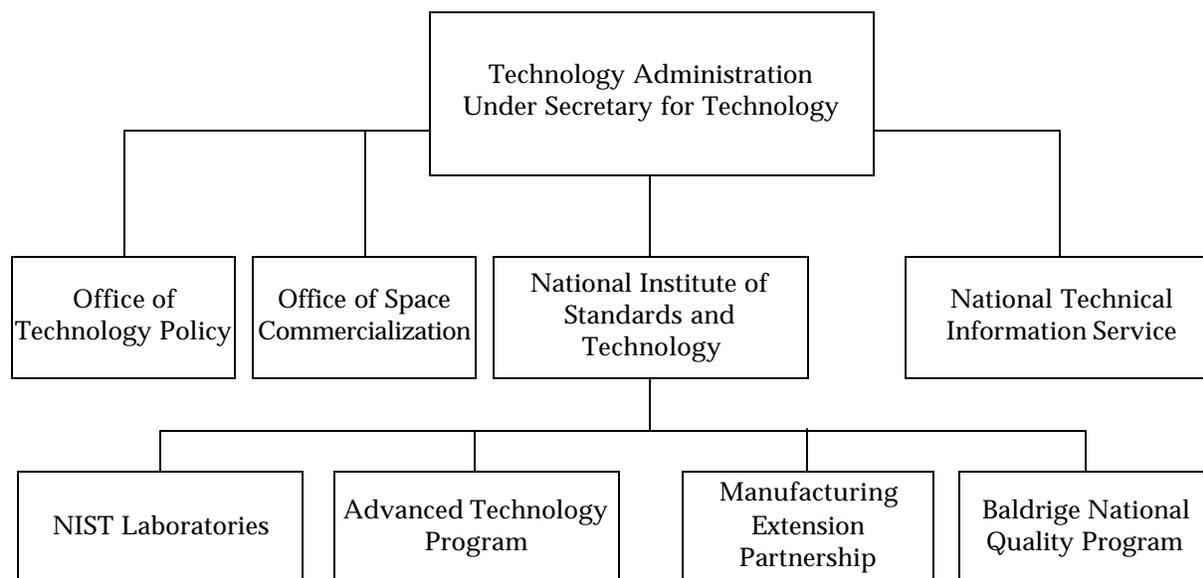
The Technology Administration (TA) works with U.S. industry to maximize technology's contribution to U.S. economic growth. Led by the Under Secretary for Technology, TA fulfills its broad responsibilities through three component organizations:

The Office of the Under Secretary for Technology provides policy guidance to the Secretary of Commerce and the Technology Administration's component agencies and serves as an advocate for innovation and industrial competitiveness within and outside government. The Under Secretary coordinates the civilian technology efforts of all Federal agencies and helps to shape Federal civilian R&D priorities based upon the views of industry. The Under Secretary also provides counsel to the Secretary of Commerce on all matters affecting innovation, and coordinates with counterpart offices in the trade and economic agencies to create unified, integrated trade and technology policies. Pursuant to this role, the Under Secretary also oversees the Office of Technology Policy (OTP) and the Office of Space Commercialization (OSC).

The National Institute of Standards and Technology (NIST) develops and disseminates measurement techniques, reference data, test methods, standards, and other infrastructural technologies and services required by U.S. industry to compete in the 21st century. In addition to its core measurement, testing, and standards functions, NIST also conducts three key extramural programs: the Advanced Technology Program, to stimulate the development of high-risk, broad-impact technologies by U.S. firms; the Manufacturing Extension Partnership, to help smaller firms adopt new manufacturing and management technologies; and the Baldrige National Quality Program, to help U.S. businesses and other organizations improve the performance and quality of their operations by providing clear standards and benchmarks of quality.

The National Technical Information Service (NTIS) operates a central clearinghouse of scientific and technical information that is useful to U.S. business and industry. NTIS collects scientific and technical information; catalogs, abstracts, indexes, and permanently archives the information, disseminating products in the forms and formats most useful to its customers; develops electronic and other new media to disseminate information; and provides information processing services to other Federal agencies.

Organizational Structure



Priorities

Technical infrastructure for 21st century innovation

Leading-edge scientific and technical work requires multiple disciplines, high levels of collaboration among organizations and people with diverse capabilities, and highly specialized facilities and complex tools. For more than a century, the NIST Laboratories have successfully collaborated with industry and universities to provide the measurement techniques and technical tools needed by America's innovators.

To continue this record of success, NIST must respond to new and challenging demands in areas where public and private Research and Development (R&D) investments are large, measurement and standards capabilities are critical, and the potential benefits are substantial and broad. These areas include health care, nanotechnology, IT security, and IT interoperability. In each of these areas, NIST will build on its tradition of using strategic partnerships with industry, universities, and other governmental agencies to implement highly leveraged R&D infrastructure solutions—solutions that maximize their impact through strategic use of collaborative research, R&D grants, personnel exchange, and joint planning.

Opportunities for small manufacturers

Small and medium-sized manufacturers face a complex set of demands: they must increase production efficiency, respond quickly to market changes, use knowledge effectively, and deliver customized products to diverse supply chain partners and customers. Moreover, large firms at the center of manufacturing supply chains are increasingly demanding that their smaller supply chain partners productively use e-business practices and technologies and operate at internationally competitive cost and quality levels.

These market pressures raise the need for low-cost, fast, high-quality tools and training to help smaller manufacturers adopt e-business practices—the types of services that can be provided most readily and efficiently through the NIST Manufacturing Extension Partnership (MEP) program. The MEP program, a

national network of more than 400 centers and offices that bring together Federal, State, local, and private resources, must continue to develop new products and services to help small manufacturers overcome the information and cost barriers to adopting high performance practices.

Quality and accountability in health care and education organizations

Established in 1988, NIST's Baldrige National Quality Program (BNQP) has become a highly visible public-private partnership that identifies and encourages performance excellence in U.S. manufacturers, service companies, educational organizations, and health care providers. The criteria for the annual Malcolm Baldrige National Quality Award are widely distributed and help organizations enhance their competitiveness by focusing on two goals: delivering ever-improving value to customers and improving overall organizational performance. The BNQP is a highly leveraged public investment that generates broad economic and societal benefits.

Beginning with the 1999 award cycle, the BNQP added two new award eligibility categories, education and health care, and developed detailed performance criteria for these two sectors. For the education award, participation is open to for-profit and not-for-profit public, private, and government organizations that provide education services in the United States and its territories. The addition of these two categories has received wide praise, and each is expected to generate broad benefits. For instance, as Chair of the National Education Goals Panel (NEGP), then-Governor Tommy Thompson stated, the Baldrige criteria for education "can provide educators with a framework and strategies for improving their schools and helping children to reach high standards." Through the BNQP, the nation has an opportunity to broadly apply leading-edge thinking about performance, quality, and accountability to education and health care organizations. NIST will continue to champion and support this innovative program.

Construction and facilities: The need to invest wisely in facilities modernization

NIST's leading-edge measurement research requires state-of-the-art laboratory facilities. Unfortunately, many of NIST's 30-to-45-year-old facilities are inadequate to support some types of measurement research essential to U.S. industry in the development of new technologies. The principal inadequacy involves the lack of high-quality systems to maintain extremely precise environmental controls, including temperature, humidity, vibration, electric power quality, and air cleanliness.

NIST plans to address this challenge with a combination of new construction, major renovation of existing facilities, and attention to safety, capacity, maintenance, and major repair needs. With appropriations received so far, NIST has constructed an Advanced Chemical Sciences Laboratory and has awarded a contract for construction of an Advanced Measurement Laboratory in Gaithersburg, MD. These buildings, however, will not provide enough modern laboratory space to meet the accelerating needs for advanced research. Additional funds for facilities support and modern laboratories at the Boulder, CO site and for major renovations to the Gaithersburg general-purpose laboratories are needed. Moreover, NIST's backlog of safety, capacity, and major repair needs continues to grow.

Management Challenges

Financial Management

In its recent series on "Major Management Challenges and Program Risks" for Federal agencies, the General Accounting Office (GAO) noted that the Department of Commerce "needs to address other challenges in order to build a high-performing organization. These include (1) continuing to successfully produce financial statement reports and implement a department-wide financial management system . . ." (GAO-01-243, "Commerce Challenges," p. 27). The NIST accounting system has a long history of providing accurate, timely

information for managers and reviewers, and NIST is continuing to work to ensure that it provides a sound financial management environment that complies with Federal laws and regulations. The FY 2000 audit of the NIST financial statement resulted in the sixth consecutive unqualified opinion issued by an independent audit firm.

NIST is moving ahead with the implementation of the Commerce Administrative Management System (CAMS), the Department-wide effort to develop and implement a set of standardized systems that will support the common financial activities of the Department. CAMS is a single, integrated financial management system that includes a Core Financial System (CFS) interfaced with administrative systems for small purchases, bankcards, and time reporting/labor cost distribution, collectively called Core CAMS. In its capacity of providing professional financial services to the Office of the Secretary (OS) and other Departmental bureaus, NIST deployed CAMS to the OS, the Office of the Inspector General, and the Office of Computer Services early in FY 2001. The rollout will be extended to the Economics and Statistics Administration, the Bureau of Economic Analysis, and the Minority Business Development Agency during FY 2001. Implementation of the CAMS CFS system at NIST, the Technology Administration, and the National Telecommunications and Information Administration will be completed in FY 2004.

Information Technology

The information technology (IT) systems operated by NIST will continue to shape the ability of its employees to effectively and efficiently accomplish their work and achieve NIST's mission. It is therefore essential that we are able to provide an integrated, effective suite of IT resources and services that both support current NIST personnel and organizational needs and anticipate the future needs of the organization. The efficiency and quality of other NIST activities, including technology transfer services and many administrative functions, similarly depend upon seamless, powerful, and highly accessible IT resources. Intramural research programs comprise the bulk of NIST's high-performance and laboratory-based computing needs and drive our IT strategies.

To achieve our IT objectives, NIST must:

- Upgrade computing and communications systems on a regular basis, focusing on high-end computational resources, networking and electronic information dissemination capabilities, data storage capacity, and security conditions.
- Promote interoperability within and across hardware and software platforms.
- Provide enhanced management information systems, particularly E-commerce applications for internal systems.
- Develop central support for local workstations, improving user efficiency and system security.
- Develop more coordinated and integrated public information dissemination technologies.
- Deploy computer systems security to protect business and scientific information.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1: Promote technology-based growth through partnerships with industry						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of roundtables, seminars, and negotiations	New	25	25	30	25	30
Performance Goal 2: Provide technical leadership for the nation's measurement and standards infrastructure and ensure the availability of essential reference data and measurement capabilities						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Quality assessment and performance evaluation using peer review ¹	See footnote 1					
Economic impact studies ¹	See footnote 1					
Standard Reference Materials available	1,315	1,288	1,300	1,292	1,315	1,350
Standard Reference Data titles available	62	60	63	63	66	68
Number of items calibrated	3,375	3,118	3,200	2,969	3,100	2,900
Technical publications produced ²	2,150	2,030	2,450	2,115	2,200	2,050
Performance Goal 3: Accelerate technological innovation and development of the new technologies that will underpin future economic growth³						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Economic impact studies ¹	See footnote 1					
Cumulative number of technologies under commercialization	120	120	170	Not yet available ⁴	180	210
Cumulative number of publications	480	468	680	Not yet available ⁴	720	830
Cumulative number of patents filed	640	616	770	Not yet available ⁴	790	940

¹ Peer review and economic impact studies are not cumulative; therefore, numerical targets and performance data are not applicable and are not provided here. Both measures are described in detail in the sections that follow (see sections 2a, 2b, and 3a). For a complete copy of the most recent peer review report on the NIST Laboratories (conducted by the National Research Council), refer to <http://books.nap.edu/html/nist2000/>.

² 1999 actuals differ from previously reported figures due to improved data management, recording, and reporting procedures. Actual totals and out-year projections have been updated to reflect these improvements.

³ Out-year projections for ATP performance measures are based on the FY 2002 President's budget, which provides no funding for new ATP grants in fiscal year 2002. Projections for performance measures in any specific fiscal year depend heavily on the number of projects expected to be completed in that year; i.e., they reflect outputs from projects funded during the previous three to five years. Thus, performance forecasts for 2002 will not be impacted significantly by this budget scenario. The impact of the FY 2002 President's budget will be reflected in performance estimates beyond FY 2003. These revised out-year projections will be reported elsewhere, as required.

⁴ Final data for FY 2000 are not yet available due to surveying procedures and data collection and analysis requirements. Data will not be available until mid- to late-2001 and will be reported in the FY 2001 Annual Program Performance Report. Final data for FY 1999 are

Performance Goal 4: Improve the technological capability, productivity, and competitiveness of small manufacturers⁵						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Increased sales attributed to MEP assistance	\$443 M	\$447M (FE) ⁶	\$670M	Not yet available ⁴	\$708M	\$736M
Capital investment attributed to MEP assistance	\$359M	\$576M (FE) ⁶	\$864M	Not yet available ⁴	\$913M	\$949M
Cost savings attributed to MEP assistance	New	\$364M (FE) ⁶	\$545M	Not yet available ⁴	\$576M	\$599M
Performance Goal 5: Assist U.S. businesses and other organizations in continuously improving their productivity, efficiency, and customer satisfaction by adopting quality and performance improvement practices						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of applications per year to MBNQA and Baldrige-based State and local quality awards	892	1,067	916	Partial data: 911 ⁷	935	954
Number of Baldrige Criteria mailed by BNQP and by Baldrige-based State and local quality programs	203,700	211,028	197,600	Partial data: 176,248 ⁷	193,600	191,700
Performance Goal 6: Protect the national information infrastructure						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Activity milestones related to program establishment	New	New	New	New	Successful establishment ⁸	Measures to be established
Performance Goal 7: Collect, organize, preserve, and disseminate government scientific, technical, and business-related information						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of items in archive	2,873,431	2,874,416	2,924,416	2,916,204	2,966,200	3,016,200
Number of documents reproduced from electronic media	600,000	721,295	750,000	805,332	850,000	850,000

⁵ In early 2000, the MEP program substantially revised the survey method and instrument it uses to gather information from its clients. Due to these improvements, data for FY 1999 and future years cannot be compared with FY 1998 and previous years. Moreover, two of the previously reported metrics (inventory savings and labor and material savings) have been combined into a more comprehensive metric called "cost savings," which includes but is not limited to inventory, labor, and materials savings. In addition, out-year projections have been significantly updated based on the initial data gathered from the improved survey instrument and process. See the section entitled "Performance Goal 4: Improve the technological capability, productivity, and competitiveness of small manufacturers" (below) for additional information.

⁶ FE indicates "final estimate." FY 1999 data are listed as final estimates because the switch to the new survey instrument occurred in the middle of the reporting cycle for FY 1999 (January 2000 data collection corresponds to activities undertaken in early 1999). Final data for FY 1999 cover only January–October 1999.

⁷ Data reflect partial counts obtained from State and local quality programs collected through 3/16/01; final data will be available in April 2001.

⁸ Milestones for program establishment have been established and are explained in Section 6a, below. Activity milestones include: complete an implementation plan for the program (already underway); hire or assign staff, as necessary; establish grant review teams and advisory committees; coordinate and support the competitive grant review process; award the first round of research grants; disseminate the results of the funded research; and establish an evaluation system for the program.

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY2000 Request	FY 2000 Actual	FY 2001 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1						
Total Funding ⁹	11.0	9.5	7.2	9.3	8.7	8.8
*IT Funding	0.2	0.2	0.4	0.2	0.7	0.7
FTE	44	51	39	51	51	51
Performance Goal 2						
Total Funding ⁹	414.3	493.5	612.5	475.4	514.3	499.9
*IT Funding	48.0	49.8	50.2	54.8	55.9	61.9
FTE	2762	2767	2670	2820	2772	2935
Performance Goal 3						
Total Funding ⁹	190.3	251.5	198.8	198.6	133.0	80.4
*IT Funding	2.8	3.7	5.8	3.3	3.7	3.7
FTE	271	280	270	280	278	124
Performance Goal 4						
Total Funding ⁹	131.4	99.9	104.4	114.1	109.0	106.6
*IT Funding	2.6	2.8	2.9	2.9	3.0	3.1
FTE	109	113	91	114	109	109
Performance Goal 5						
Total Funding ⁹	6.2	7.0	8.8	6.8	7.7	7.3
*IT Funding	0.5	0.6	0.7	0.6	0.7	0.7
FTE	39	42	51	40	51	51
Performance Goal 6						
Total Funding ⁹	N/A	N/A	N/A	50.0	5.0	5.0
*IT Funding	N/A	N/A	N/A	N/A	0.1	0.1
FTE	N/A	N/A	N/A	12	1	2
Performance Goal 7						
Total Funding ⁹	33.3	62.0	38.3	0.0 ¹⁰	47.1	40.5
*IT Funding	9.9	N/A	9.9	N/A	N/A	N/A
FTE	322	400	230	0	260	260
Grand Total						
Total Funding ⁹	786.5	923.4	970.0	854.2	824.8	748.5
Reimbursable	138.7	163.7	153.3	108.4	170.7	162.9
*IT Funding	64.0	57.1	69.9	61.8	64.1	70.2
FTE	3547	3653	3351	3317	3522	3532

* IT funding is included in Total Funding

⁹ "Total funding" includes direct and reimbursable obligations.

¹⁰ In FY 2000, the Department of Commerce proposed the elimination of NTIS and the transfer of its collection to the Library of Congress.

Skill Summary:

At the end of FY 2000, the staffs of the three component bureaus of the Technology Administration (TA) reflected the following levels of educational attainment:

- Total US/OTP staff included 8 percent PhD, 29 percent MA/MS, and 29 percent BA/BS holders.
- Total NIST staff included 29 percent PhD, 14 percent MA/MS, and 18 percent BA/BS holders. The breakdown of professional staff by major NIST program was:
 - NIST Laboratories: 55 percent PhD, 19 percent MA/MS, 18 percent BA/BS holders
 - Advanced Technology Program: 45 percent PhD, 34 percent MA/MS, 19 percent BA/BS holders
 - Manufacturing Extension Partnership: 14 percent PhD, 64 percent MA/MS, 21 percent BA/BS holders
 - Baldrige National Quality Program: 13 percent PhD, 63 percent MA/MS, 12 percent BA/BS holders
- Total NTIS staff included 7 percent MA/MS and 20 percent BA/BS holders.

IT Requirements:

Please refer to the Management Challenges section, above.

FY 2002 Performance Goals

Performance Goal 1:

Promote technology-based growth through partnerships with industry (US/OTP)

Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

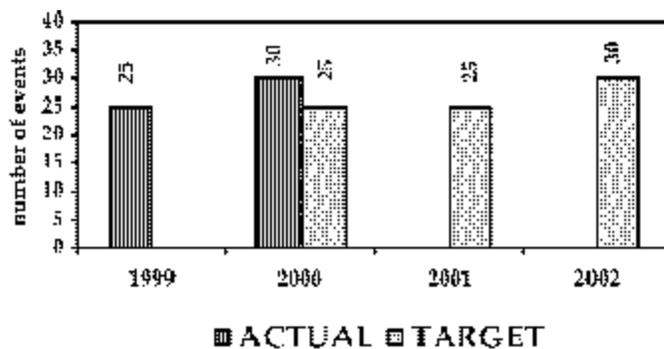
Objective 2.1: Provide infrastructural tools and capabilities that improve the productivity, quality, and efficiency of research and innovation processes

Rationale for Performance Goal

The Technology Administration's Office of the Under Secretary/Office of Technology Policy (US/OTP) serves as the focal point within the Federal Government for leadership on civilian technology policy, supporting technology-based growth through a variety of programs that provide technical support to industry and helping to develop and transfer new technologies to the private sector for commercial application.

US/OTP plays an important role in developing and coordinating national technology policy, working in partnership with industry and serving as an advocate for policies that best leverage the benefits of new technology and contribute to the nation's economy. US/OTP's undertakings include providing leadership for the Partnership for a New Generation of Vehicles initiative between the Federal Government and the nation's auto makers; monitoring foreign government science and technology policies and encouraging the adoption of policies that would promote a favorable environment for U.S. business partnerships overseas; promoting the commercialization of space-related technologies; and working to promote productive research partnerships between the Federal Government and the private sector across the full spectrum of Federal research programs.

Measure 1a: Number of roundtables, seminars, and negotiations held with industry, government, and academia to advance TA policy goals



Data Validation and Verification

Data source: US/OTP

Frequency: US/OTP performance data cumulate throughout the year and are reported annually

Data storage: US/OTP

Verification: Data represent verifiable tabulations of US/OTP activities

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	25	25	30
Actual	25	30		
Met / Not Met		Met		

Explanation of Measure

The data represent a direct count of the roundtable discussions, seminars, and negotiations that US/OTP has held with industry, other government agencies and academia to advance the Department's technology policy goals. US/OTP's core functions—such as providing policy advice and influencing the policymaking process—are difficult to capture quantitatively. This output measure is intended to quantitatively characterize US/OTP's annual performance, but recognizes that it can represent only a partial indicator of US/OTP work. The performance target for fiscal year 2002 has been updated from previously reported figures to reflect actual performance in fiscal year 2000. As with other output metrics, targeting mechanisms are imperfect; there are inaccuracies inherent in any forecasting methodology.

This specific measure was added in the FY 2001 Annual Performance Plan to replace the previously reported measure "Reports published" (see also below, "Discontinued Measures"). It has been tracked since fiscal year 1999. Note also that this Performance Goal was referred to as "Performance Goal 5: Analyze and develop technology policies" in the FY 1999 Annual Performance Report and as Performance Goal 6 in the FY 2000 Annual Performance Plan. The renumbering of the Performance Goals was done to maintain consistency with the Department's new Strategic Plan for FY 2000–FY 2005. This Performance Goal has also been modified to make it more outcome-oriented, and is now called "promote technology-based growth through partnerships with industry."

FY 2000 Program Evaluation for TA Performance Goal 1: Promote technology-based growth through partnerships with industry

US/OTP did not conduct a formal program evaluation in FY 2000 for two reasons: (1) the intrinsic difficulty of measuring the efficacy of policy analysis functions, and (2) the high cost of formal program evaluation relative to US/OTP's size.

Discontinued Measure: *Reports published*

As mentioned above, the current measure was introduced to replace the earlier measure "Reports published" (see FY 2000 Annual Performance Plan). The new measure offers a more comprehensive gauge of the programmatic activities and core functions of US/OTP. As this old metric appeared only in the FY 2000 Annual Performance Plan and was discontinued soon after, actual data were not collected and reported. Data for FY 2000 for the replacement metric ("Number of roundtables, seminars . . .") and out-year projections were calculated and are reported here.

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
Coordinate and lead key interagency technology programs	<ul style="list-style-type: none"> Recognize and promote technological achievement (for example, through the National Medal of Technology) Improve the conditions for international technology cooperation
Coordinate and lead interagency efforts to strengthen technology partnerships between States and the Federal Government	Specific activities will depend on administration priorities
Improve the information base for science and technology policy	Generate reports and analyses of foreign technology policies and domestic industrial and technological trends

Cross-Cutting Activities

Other government agencies

Through the Committee on Technology of the President's National Science and Technology Council, the Under Secretary helps to establish clear national goals for Federal science and technology investments and to ensure that Federal civilian R&D priorities reflect the requirements of industry customers. In FY 2000, the Committee coordinated several major Administration R&D initiatives in materials, construction and building, manufacturing infrastructure, electronics, and automotive technologies.

Government / Private sector

US/OTP works closely with private industry to develop and coordinate national technology policy; it also serves as an advocate for policies that best leverage the benefits of new technology and contribute to the nation's economy.

External Factors and Mitigation Strategies

Outputs associated with coordination and leadership functions depend in part upon the interest and commitment of numerous public and private sector participants operating at the State and Federal levels. US/OTP can influence but not control other participants.

**Performance Goal 2:
Provide technical leadership for the nation’s measurement and standards infrastructure and ensure the availability of essential reference data and measurement capabilities (NIST)¹¹**

Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

Objective 2.1: Provide infrastructural tools and capabilities that improve the productivity, quality, and efficiency of research and innovation processes

Rationale for Performance Goal

The NIST Laboratories develop and deliver measurement techniques, reference data, test methods, standards, and other infrastructural technologies and services that provide a foundation for industry in all stages of commerce: research, development, testing, production, and marketing. The NIST Laboratories also support U.S. firms in the global marketplace by working to eliminate trade barriers associated with different national standards, testing, and certification requirements. Since its establishment in 1901 as the National Bureau of Standards, NIST has collaborated closely with industry to anticipate and address the nation’s measurement, standards, and technology needs.

NIST has designed its performance evaluation system to accommodate the laboratories’ diverse outputs as well as to respond to the intrinsic difficulty of measuring the results of investments in scientific and technological products and services. Like other Federal science organizations, the primary output of NIST’s research is scientific and technical knowledge, which is inherently difficult to measure directly and comprehensively. In addition, the outcomes from research often do not begin to accrue until several years after the research program has been completed, and the diffusion of benefits often affects broad segments of industry and society over long time periods. Given these challenges, NIST evaluates its performance and plans its work in part through direct customer feedback, but also through three distinct evaluation mechanisms: (1) peer review and other forms of external assessments; (2) economic impact studies; and (3) quantitative output tracking. Taken alone, no individual measurement mechanism can provide a comprehensive source of performance evaluation data. Taken together, however, the three evaluation mechanisms, combined with continual feedback from customers, collectively provide NIST management and external stakeholders with a highly detailed and reliable set of performance data encompassing NIST’s strategic goals.

Measure 2a: Qualitative assessment and performance evaluation using peer review

Peer review assessments and reports are inherently qualitative and noncumulative in nature; therefore, numerical targets and performance data are not applicable and are not provided here. NIST’s peer review process is described in more detail in the sections that follow.

Data Validation and Verification

Data source: National Research Council (NRC) Board on Assessment panel members observe and analyze each NIST Laboratory

Frequency: Annual

Data storage: NRC

Verification: NRC independence and high technical capability; internal NRC quality controls

¹¹ This Performance Goal was called Performance Goal 1 in previous versions of the Annual Performance Plan. The Performance Goals were renumbered to maintain consistency with the Department’s new Strategic Plan for FY 2000–FY 2005.

Explanation of Measure

Since 1959, the NIST Laboratories have been reviewed annually by the National Research Council (NRC). The annual NRC Board on Assessment of NIST Programs review is independent, technically sophisticated, and extensive. In FY 2000, the NRC Board was composed of approximately 150 scientists and engineers, organized into seven panels (one for each of the seven laboratories) plus two sub-panels for specialized programs. Panel reviews are reported at the division level (the major organizational unit for the laboratories) and build upon assessments of research processes at the project and program levels.

In FY 2000, each panel conducted a two- to three-day on-site review of each laboratory's technical quality, paying particular attention to the following factors:

- Technical merit of the laboratory programs relative to the state of the art.
- The degree to which the laboratory programs conform to their mission.
- The effectiveness with which the laboratory programs are carried out and the results disseminated.
- Insofar as they affect the quality of the technical programs, the adequacy of the laboratory's facilities, equipment, and human resources.¹²

The NRC panel reports for each laboratory provide the basis for a comprehensive annual peer review report on the NIST Laboratories. As in prior years, the NRC report for FY 2000 provides each laboratory not only with an external quality assessment, but also with valuable information that it can use for its own performance assessment, planning, and management functions. The table below provides summary statements for the laboratories, excerpted from NRC's most recent report. (For the complete FY 2000 report, see <http://books.nap.edu/html/nist2000/>.)

¹² For FY 2001, the NRC Board on Assessment's charge has been reoriented slightly and a new crosscutting programmatic panel has been added. The results of this review will be reported in the FY 2001 Annual Program Performance Report.

Sample Statements from FY 2000 NRC Peer Review

LABORATORY	NRC SUMMARY FINDINGS, FY 2000
Electronics and Electrical Engineering (EEEL)	"The panel is very impressed by the high quality of the technical work under way in the Electronics and Electrical Engineering Laboratory. The push to be the best in the world is appropriate and is being realized. . . . The strategic planning process continues to improve, and the impact of the process on the laboratory's portfolio of programs is beginning to be seen. The process has not been uniformly adopted in all of the divisions, but the panel encourages the serious effort that is being made. The quality of facilities and equipment available to the EEEL is not yet at an acceptable level." (p. 47).
Manufacturing Engineering (MEL)	"The Manufacturing Engineering Laboratory has made significant progress in the past year on developing and implementing a strategic planning process. The mission statement is clearly defined. . . . The quality of the people in the MEL is very high, and their work produces world-class results. Collaborations among the divisions and with other laboratories at NIST appear to be effective and successful. The decreasing number of technical staff and the decline in the overall resources available to the MEL concern the panel." (p. 69).
Chemical Science and Technology (CSTL)	"The technical merit of the work in the Chemical Science and Technology Laboratory continues to be of a very high level and quality. The panel particularly observes enthusiastic staff and the outstanding leadership provided by the laboratory director. . . . Extensive evidence of successful collaborative research was noted. . . . The panel finds the work in CSTL to be highly relevant industrially. . . . Facility inadequacies, which prevent some state-of-the-art measurement work, are being addressed as funding permits. However, continuous improvement of facilities is needed to ensure that current and future work can be accomplished. . . . The panel notes that the biotechnology industry is working on a time line different from that of other industries serviced by CSTL. The panel recommends that NIST develop a cohesive strategy in biotechnology that addresses the rapid pace of change in this important industry." (pp. 103-4).
Physics (PL)	"Overall, the technical merit of ongoing programs and projects in the PL is very high. Many projects are at or define the state of the art, and in some cases NIST is not just the leader but the dominant force in highly competitive areas of scientific research. . . . In nanotechnology, the PL is already a world leader in the fabrication and analysis of small structures such as thin magnetic layers. Future plans include better understanding of edge effects in small magnetic and electronic structures and of electron transport and tunneling in ferromagnetic, semiconductor, and superconductor materials. This work would be complementary to ongoing work in other NIST laboratories on single-electron tunneling devices, nanoscale metrology, nanoscale analysis, and other areas." (p. 107).
Materials Science and Engineering (MSEL)	"MSEL continues to undertake programs that are well suited to the mission of NIST and have extremely strong technical merit. MSEL expends considerable effort in determining industry needs for materials measurements and standards. MSEL should give particular attention to developing industrial ties at the appropriate technical and managerial levels that will allow it to anticipate future needs for measurements and standards. The panel is pleased with the high priority MSEL places on releasing its results to the public domain—staff clearly understand that their results must reach customers to be of worth." (p. 172).
Building and Fire Research (BFRL)	"The quality of the technical work under way in BFRL and the impact of laboratory programs continue to impress the panel. The laboratory is a unique resource for the very fragmented building-related industries, and the positive impact on the competitiveness of U.S. companies and on public safety and quality of life should not be undervalued. The increasing pressure on BFRL staff to secure external funding is hurting morale in the laboratory and has the potential to adversely affect the quality and appropriateness of the work done at NIST. . . . BFRL's relationship with [HUD], the potential formalization of its relationship with [FEMA], and its involvement in consortia such as FIATECH are all highly encouraged by the panel." (pp. 216-17).
Information Technology (ITL)	"ITL continues to have a positive impact on the industrial IT community. Its portfolio of projects is extensive and appropriate and generally chosen to maximize NIST's impact. ITL has been effective in influencing industry, especially in areas such as XML, where industry was stalled in coming to agreement." (p. 224) "The panel is very concerned about the constant or, in some cases, decreasing staffing levels within ITL. This situation is due in large part to the limited funding available to cover salaries. The panel observes that the situation has two consequences: the first is that ITL personnel are spread very thin and some projects have only single-point coverage; the second is that many areas exist in which NIST participation could make a significant difference but ITL cannot afford to be active at this

Measure 2b: Economic impact studies

Economic impact studies are not cumulative; therefore, aggregate numerical targets and performance data are not applicable and are not provided here. NIST's process for conducting economic impact studies, as well as the results of studies completed in FY 2000, are described in the sections that follow.

Data Validation and Verification

Data collection: Research is contracted to economic and technical experts, who generate quantitative estimates and qualitative information using performance data gathered through industry surveys and field research. Project cost data are supplied by NIST

Frequency: Intermittent

Data storage: Contractors collect and maintain all data. Survey results, cost data, and all calculations are presented in final reports

Verification: Data are gathered and analyzed by highly qualified economists and technical specialists using well-developed research methods and standard economic and business analysis metrics, as specified and monitored by NIST

Data limitations: Elements of study populations often are too diffuse to measure; availability and quality of industry data often are uneven; impact estimation typically requires counterfactual data, which can be difficult to estimate; outcomes are specific to each project—i.e., results are not cumulative and not readily comparable

Explanation of Measure

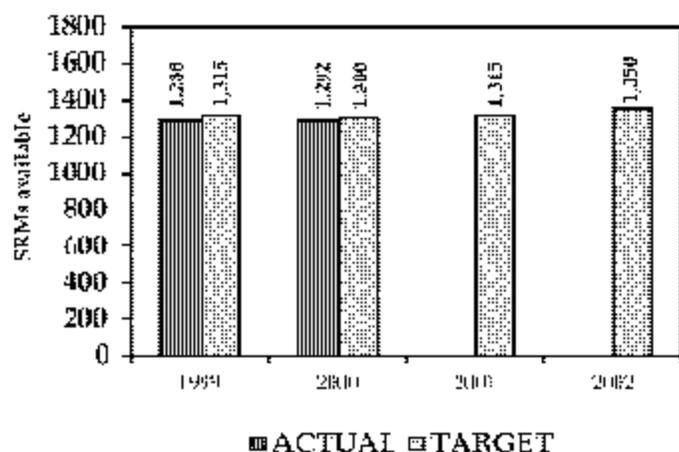
NIST augments the performance information obtained through peer review with formal microeconomic assessments of the long-term impacts that derive from the NIST Laboratories' programs. NIST has been conducting economic impact studies on a regular basis since 1992, and initiates approximately four new impact studies annually. Impact assessments of NIST's R&D in specific technical areas are conducted by external economic and technical experts contracted by NIST. These studies provide both quantitative estimates and qualitative assessments of the economic impacts resulting from the different types of technology infrastructure that NIST provides to U.S. industry. Quantitative estimates compare project costs with quantitative impact evidence in such areas as productivity, quality, time-to-market, transaction costs, sales, market share, and profits.

Quantitative estimates of impact typically are provided in one of two forms: a benefit-cost ratio, which compares the net present value of benefits and costs over the time period being analyzed; or a social rate of return, which represents the annual percentage rate that would be required to reduce the net present value of the benefit time series to zero (i.e., to yield a benefit-cost ratio of one—the break-even point for a project). Recent impact studies also seek to provide qualitative descriptions of impacts that are significant but difficult to quantify, such as the impact of NIST infratechnologies on R&D strategies and capabilities, organizational efficiency, market access, and effectiveness in working with external actors such as suppliers and standards organizations. Studies conducted over the last five years indicate that NIST outputs generate rates of return on R&D that consistently exceed the estimated average returns on R&D conducted by private industry.¹³ In addition to quantitative information, these studies also provide management with a broader range of useful qualitative information on such important factors as the nature of the R&D life cycle in individual industries; the points at which measurement technologies affect R&D, production, and market transactions at different levels of the supply chain; and the modes of potential impact associated with different types of NIST infratechnologies. Additional information about economic impact studies published in FY 2000 is presented in the table below.

¹³ Nadiri (National Bureau of Economic Research, 1993) estimates an average 20 to 30 percent private return and an average 50 percent social return on R&D conducted by private industry.

ECONOMIC IMPACTS OF NIST LABORATORY OUTPUTS: ESTIMATES FROM STUDIES PUBLISHED IN FY 2000			
Customer Base	Instrument manufacturers; clinical laboratories; medical services	Chemical industry	Component manufacturers and users in the electronics and communications equipment industries
NIST Outputs	Cholesterol reference materials	Sulfur reference materials	Laser and fiberoptic power and energy calibration services
Outcomes/Impacts	Improved quality and accuracy; lower transaction costs; higher productivity	Improved product quality; higher production efficiency and productivity; lower transaction costs	Higher accuracy; lower transaction costs; increased productivity
Impact Metric: cost-benefit ratio ¹⁴	4.5	113	Range: 3-11
Impact Metric: social rate of return ¹⁵	154 percent	1,056 percent	Range: 43-136 percent

Measure 2c: Standard Reference Materials (SRMs) available



Data Validation and Verification

Data source: NIST Standard Reference Materials Program
Frequency: Ongoing
Data storage: NIST Standard Reference Materials Program
Verification: Data represent direct and verifiable counts of SRMs produced. Internal verification includes review by NIST Technology Services and the NIST Director's Office and Budget Division. In addition, data associated with SRM availability are included in NIST's audited Financial Statements

	FY 1999	FY 2000	FY 2001	FY 2002
Target	1,315	1,300	1,315	1,350
Actual	1,288	1,292		
Met / Not Met	Not Met	Not Met		

¹⁴ The cost-benefit ratio compares the net present value of benefits and costs over the time period being analyzed.

¹⁵ Social rate of return represents the annual percentage rate that would be required to reduce the net present value of the benefit time series to zero (i.e., to yield a benefit-cost ratio of one—the break-even point for a project).

Explanation of Measure

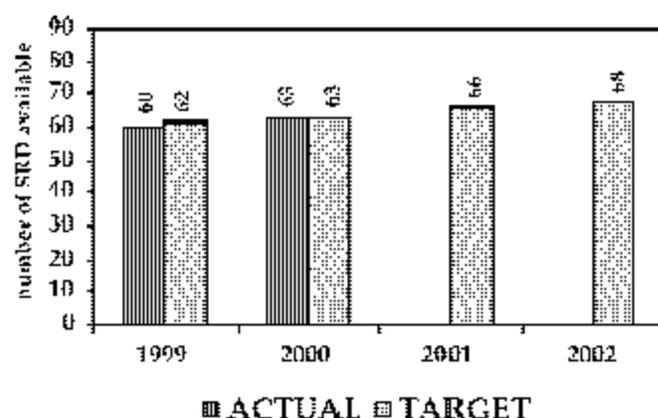
The number of Standard Reference Materials (SRMs) available illustrates the breadth of measurements supported by NIST. SRMs are certified for their specific chemical and material properties in the NIST Laboratories. SRMs are the definitive source of measurement traceability in the United States—all measurements using SRMs can be traced to a common and recognized set of basic standards that provides the basis for compatibility of measurements among different laboratories. In addition, as economic exchange has become more global, customers are using SRMs to achieve measurement quality and conformance to process requirements that address both national and international needs for commerce and trade. The data represent a direct count of available SRMs and are updated on an ongoing basis by NIST Technology Services. Data provide information on output levels only. There are no obvious replacements for these output tabulations; NIST continues to explore the use of additional metrics that could capture leverage in the secondary market and other factors related to downstream impact. As with other NIST products and services, downstream outcomes are measured through project-specific economic impact studies. The text box below describes an example of one NIST SRM and its impact.

At the close of FY 2000, the number of SRMs available (1,292) represented more than 99 percent of the projected level (1,300, as reported in previous GPRA-related documents). Out-year projections assume modest growth in the number of SRMs available, given NIST's strategy of focusing on those SRMs that cannot be produced by secondary laboratories and which have broad and/or high downstream impact. In establishing its out-year projections, the NIST SRM Program monitors, among other things, trends in emerging technologies, new regulations that will depend on SRMs for enforcement, and the reference material needs of other Federal agencies.

HIGH-LEVERAGE STANDARD REFERENCE MATERIALS: NIST STANDARDS FOR SULFUR

NIST standards to help measure sulfur in fossil fuels have saved the U.S. economy more than \$400 million and have generated about \$80 million in environmental benefits—all for a NIST investment of less than \$4 million. Sulfur in coal and petroleum products is a major source of air pollution when the fuels are burned in power plants, steel mills, and other factories, and sulfur in gasoline poisons catalytic converters that help reduce harmful emissions from automobiles. Fuel producers and consumers need to accurately measure the sulfur content of fuels both to verify product quality (low sulfur fuels cost more) and to meet environmental regulations. The NIST standards substantially reduce the margin of error in measurement of trace amounts of sulfur, enabling more accurate transactions and better compliance with regulations. The economic impact of the NIST sulfur standard was calculated in an independent study by the Center for Economic Research of the Research Triangle Institute, a nonprofit organization. The sulfur standard is one of about 1,300 Standard Reference Materials produced and distributed by NIST to help all types of industries make accurate measurements and verify product quality.

Measure 2d: Standard Reference Data (SRD) titles available



Data Validation and Verification

Data source: NIST Standard Reference Data Program

Frequency: Ongoing

Data storage: NIST Standard Reference Data Program

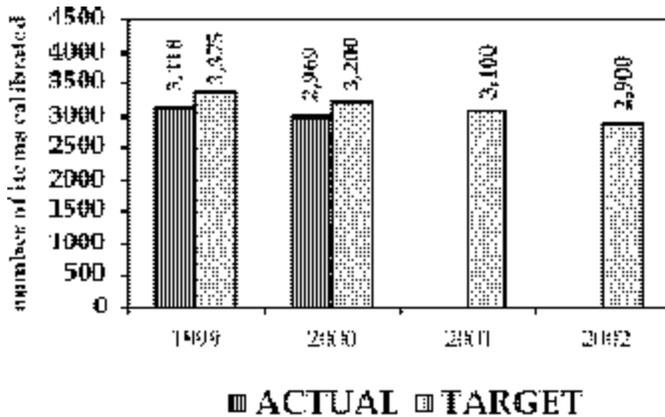
Verification: Data represent a direct and verifiable count of SRD products developed and disseminated by NIST. Internal verification includes review by NIST Technology Services and the NIST Director's Office and Budget Division. Data associated with SRD availability are included in NIST's audited Financial Statements

	FY 1999	FY 2000	FY 2001	FY 2002
Target	62	63	66	68
Actual	60	63		
Met / Not Met	Not Met	Met		

Explanation of Measure

This measure describes the number of Standard Reference Data (SRD) titles that the NIST Laboratories produce and make available through the NIST Standard Reference Data Program. Standard Reference Databases provide numeric data to scientists and engineers for use in technical problem solving, research, and development. These recommended values are based on data that have been extracted from scientific and technical literature, assessed for reliability, and then evaluated to select the preferred values. In addition to these titles, the NIST Labs also provide direct and free access to many databases via the Internet. The data represent a direct count of available SRD titles and are updated on an ongoing basis by the NIST Standard Reference Data Program. Data provide information on output levels only. There are no obvious replacements for these output tabulations. NIST continues to explore the use of additional metrics that could capture use rates, leverage, and other factors that may provide partial indicators of downstream impact.

Historically, NIST has produced two new SRD titles per year. At the same time, NIST also provides numerous upgrades to existing databases. Each year, however, some database titles are eliminated from the NIST catalog if it is determined that it would be more effective to distribute the data free via the Internet. The FY 2000 target for this metric was originally set at 64 in the FY 2000 Annual Performance Plan. This target was subsequently revised to 63 in the FY 2001 Annual Performance Plan and FY 1999 Annual Program Performance Report as more data became available for formulating accurate projections. In FY 2000, the number of database titles available represents 100 percent of the forecast level. Out-year projections assume modest growth in the total number of SRD titles available; over time, a larger percentage of these titles will be distributed via the Internet.

Measure 2e: Number of items calibrated**Data Validation and Verification****Data source:** NIST Calibration Program**Frequency:** Ongoing**Data storage:** NIST Calibration Program**Verification:** Data represent direct and verifiable counts of items calibrated by the NIST Laboratories. Internal verification includes review by NIST Technology Services and the NIST Director's Office and Budget Division. In addition, data associated with calibration counts are included in NIST's audited Financial Statements

	FY 1999	FY 2000	FY 2001	FY 2002
Target	3,375	3,200	3,100	2,900
Actual	3,118	2,969		
Met / Not Met	Not Met	Not Met		

Explanation of Measure

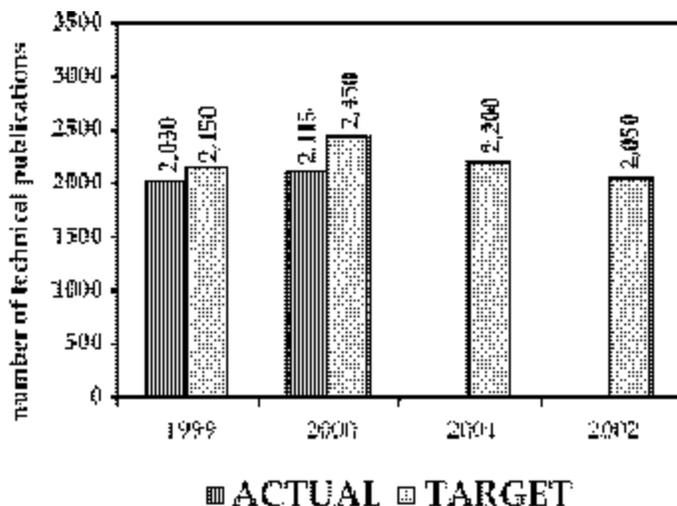
This measure illustrates the quantity of physical measurement services provided by NIST for its customers, including calibration services, special tests, and Measurement Assurance Programs (MAPs). NIST offers more than 500 different types of physical calibrations in areas as diverse as radiance temperature, surface finish characterization, and impedance.

NIST calibration services and special tests are characterizations of particular instruments, devices, and sets of standards with respect to international and national standards. NIST calibration services provide the customer with direct traceability to national and international primary standards. MAPs are quality control programs for calibrating entire measurement systems. The output data represent a direct count of the number of items external customers sent to NIST for formal calibration services. The data provide information on service output levels only and represent a measure of throughput but not workload per se, as the number of tests and/or the time and calibration effort required can vary substantially across items. As with SRMs and SRD titles, downstream impact is a function of the nature of individual calibration services more than the sheer volume of items calibrated. There are no obvious replacements for these output tabulations. NIST continues to explore complementary metrics that could capture leverage in the secondary market and other factors that may provide partial indicators of downstream impact. NIST incorporated this particular measure for GPRA purposes in FY 1999.

The FY 2000 target for this metric was originally set at 3,250 in the FY 2000 Annual Performance Plan. This target was subsequently revised to 3,200 in the FY 2001 Annual Performance Plan and FY 1999 Annual Program Performance Report as more data became available for formulating accurate projections. In FY 2000, the number of items calibrated represents 93 percent of the expected level. The slight difference between the actual performance and the target level is due to the inaccuracies inherent in any forecasting methodology. Targeting mechanisms are imperfect. Out-year forecasts, which do not need to be revised based on FY 2000 performance, show a relatively high but declining projected number of items calibrated. This trend is a result of NIST's expectation that it will provide fewer but more highly leveraged calibration services over time. This strategy is

driven by the need to effectively manage trends in demand from its major industry and government customers for these services. NIST is pursuing two strategies: (1) performing only those calibrations that require a direct connection to the national standards; and (2) improving calibration accuracy in those areas where new industry demands are emerging. Through this overall approach NIST can efficiently leverage its primary calibration services to support a broader base of secondary calibrations conducted within the private sector.

Measure 2f: Technical publications produced



Data Validation and Verification

Data source: NIST Office of Information Services

Frequency: Ongoing

Data storage: Publications data are gathered and maintained by NIST Office of Information Services

Verification: Data represent direct and verifiable counts of NIST technical publications that have been cleared for publication by the internal Washington and Boulder Editorial Review Boards. Internal verification includes review by NIST Technology Services and the NIST Director's Office

	FY 1999	FY 2000	FY 2001	FY 2002
Target	2,150	2,450	2,200	2,050
Actual	2,030	2,115		
Met / Not Met	Not Met	Not Met		

Explanation of Measure

This measure represents the annual number of technical publications generated by NIST Laboratories staff. Technical publications are a primary product of NIST's research activities in measurement science and technology. Many of these publications appear in prestigious scientific journals and withstand peer review by the scientific community. Others appear in technological forums where measurement standards and technologies developed by NIST staff (at times in collaboration with private sector partners) are disseminated. NIST uses publications as one of the mechanisms to transfer the results of its work to the U.S. private sector and to other government agencies that need cutting-edge measurements and standards. Data represent a direct count of available technical publications and are updated on an ongoing basis by the NIST Office of Information Services. Data are not adjusted for quality and do not capture utility or impact. NIST is working to develop a subcategory measure of publications in peer review journals as a proxy for quality, and is exploring the cost-effectiveness and validity of conducting regular citation tracking as a proxy for breadth of dissemination (partially indicative of impact). See also text box.

The FY 2000 target for this metric was originally set at 2,150 in the FY 2000 Annual Performance Plan. This target was subsequently revised to 2,450 in the FY 2001 Annual Performance Plan and FY 1999 Annual Program Performance Report as more data became available for formulating projections and in anticipation of an increase in the number of publications as a result of the NIST centennial year celebration. Actual publications in FY 2000

represent 86 percent of the expected level. Actual performance did not meet the forecasted level for several reasons. First, at least a portion of the difference between the actual and target levels is due to the inaccuracies inherent in any forecasting methodology. Targeting mechanisms are imperfect. In addition, the FY 2000 target was based on data gathered using since-revised data management procedures for recording and reporting publication counts. Recently, the system was improved and, as a result, the actual totals for FY 1999 and earlier have been updated from previously reported figures. The FY 2000 target was not changed, but the actual data were compiled using the new procedures. In addition to actual totals, out-year projections also have been updated to reflect these improvements. Over time, NIST expects a relatively constant level of high quality publications (at or slightly above 2,000) by its technical staff.

**TECHNICAL PUBLICATIONS:
HIGH DEMAND FOR ACCURATE INFORMATION**

Print publications are a major channel through which NIST diffuses the scientific and technical knowledge generated by its staff. For GPRA purposes, NIST reports the number of publications produced by its staff as a partial indicator of the institute's research output. However, output levels alone provide no information about the demand for or relevance of NIST's research. Within the scientific community, citation rates often are used for this purpose: the cumulative number of citations per publication provides a rough gauge of the level of use and hence "impact" of the publications generated by an individual, group, or organization.

NIST has assessed the citation rates for its publications by using data collected by the Institute for Scientific Information (ISI), which has been collecting research publication data for more than 40 years and now maintains the most comprehensive source of available publication data for scientific and technical organizations. According to these data, NIST's "relative impact"—that is, the average citation rate per NIST publication relative to ISI's baseline citation rate number for all scientific and technical organizations in its database—has been consistently above average since 1981. These data indicate that NIST consistently produces relevant scientific and technical publications that are cited frequently and hence used quite broadly.

FY 2000 Program Evaluation for TA Performance Goal 2: Provide technical leadership for the nation's measurement and standards infrastructure and ensure the availability of essential reference data and measurement capabilities

Due to the complexity of the NIST Laboratories' programs and their diverse roles and customer base, the NIST Labs are not amenable to formal, aggregate program evaluation. NIST does, however, conduct rigorous lab-wide evaluation of technical program quality, relevance, and effectiveness. As explained in Section 2a above, the NIST Laboratories are reviewed annually by the National Research Council. In addition, the programmatic objectives and performance of the Labs are reviewed by the Visiting Committee on Advanced Technology (VCAT), a legislatively mandated panel of external advisors that meets quarterly to review NIST's general policy, organization, budget, and programs. As described above, NIST's overall approach to performance measurement consists of three distinct evaluation mechanisms: peer review and other forms of external assessments, economic impact studies, and quantitative output tracking. The NIST Laboratories use these three evaluation mechanisms as a system that, combined with the VCAT review, provides a comprehensive picture of Laboratory performance.

Discontinued Measures

No discontinued measures.

Summary Actions Related to Performance Goal 2

Action Plan

Strategies	Activities
Anticipate and address the nation's most important needs for physical and information-based measurements and standards	<ul style="list-style-type: none"> • Work with industry, government, and the scientific community to identify the science and technology required for a robust measurements and standards infrastructure • Perform laboratory research that develops the measurement tools, data, and models for advanced science and technology
Strengthen the national system of standards, measurement, measurement traceability, and conformity assessment	<ul style="list-style-type: none"> • Promote the efficient delivery of measurement services to meet both current and future infrastructure needs • Foster the development of domestic voluntary standards needed by government and industry • Stimulate the development of a robust private conformity assessment system in the United States
Provide leadership in harmonizing international measurements and standards to facilitate international trade	<ul style="list-style-type: none"> • Compare measurement systems and practices with other industrialized countries, to assure consistency and eliminate measurement-related reasons for duplicate testing • Foster international voluntary standards needed by government and industry • Collaborate with international standards organizations and counterpart laboratories in researching and developing standards • Use training and consultation to strengthen national metrology systems

Cross-Cutting Activities

Intra-DoC

The NIST Laboratories work with other Department of Commerce bureaus, including NOAA and NTIA, on issues of joint interest to the Department, Administration, and Congress. For example, NIST works with NOAA on the Federal Natural Disaster Reduction Initiative, which is focused on reducing the costs of natural disasters and saving lives through improved warnings and forecasts and information dissemination. NIST and NTIA cooperate to support development of ultrawideband signal technology, a new wireless technology that will improve communications for emergency services and other applications.

Other government agencies

NIST provides research and services in measurement and standards to almost every other agency in the Federal Government with scientific missions contracted through specific Interagency Agreements or

memoranda of understanding. NIST measurement research, services, and facilities have long contributed to national defense and security, to the nationwide safety and quality assurance systems that ensure the accuracy of health care measurements, to the accuracy of environmental measurements, and to law enforcement standards.

NIST plays a large role in a wide variety of intragovernmental and government–industry coordination committees. For example, NIST has leadership positions on the committees, subcommittees, and working groups of the National Science and Technology Council (NSTC).

Government / Private sector

NIST’s mission is to work with industry to develop and apply technology, measurements, and standards. As such, the NIST Laboratories have extensive and diverse interactions with industry, which provide an important source of information about the quality, direction, and future demand for NIST products and services. Many of the laboratories’ primary outputs, such as Standard Reference Materials and calibration services, are critically important to the quality and cost efficiency of products and production processes throughout American business. In addition, the NIST staff use technical publications, conferences, and workshops as mechanisms to transfer the results of their work to the U.S. private sector and to other government agencies that need cutting-edge measurements and standards.

External Factors and Mitigation Strategies

Industry-specific business conditions and technological developments affect the level and range of demand for NIST products and services over time. For instance, annual demand for calibrations—only one of numerous outputs of the NIST Laboratories—can fluctuate due to several factors outside NIST’s control, including changes in the calibration intervals of large customers, changes in the average calibration interval rate in any given year, consolidation of calibration activities within large R&D organizations, and industry consolidation (as, for example, in defense-related industries).

In general, NIST seeks to mitigate the effects of external technological and market uncertainties by maintaining varied and close relationships with its customer base. Through conferences, workshops, technology roadmaps, and many other forms of interaction with its customers, NIST regularly evaluates and adjusts to the direction and level of demand for measurements, standards, reference data, test methods, and related infrastructural technologies and services.

Performance Goal 3: Accelerate technological innovation and development of the new technologies that will underpin future economic growth (NIST)¹⁶

Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

Objective 2.1: Provide infrastructural tools and capabilities that improve the productivity, quality, and efficiency of research and innovation processes

Rationale for Performance Goal

Market pressures often deter firms from investing in particular types of technology and R&D projects. For instance, private industry does not account for a large percentage of the nation's basic R&D, because firms must be able to earn appropriate returns within a time frame and at a level satisfactory to investors. For the same reasons, industry tends to avoid investing or significantly under-invests in certain types of enabling technologies: infrastructural technologies, which require distinct competencies and are broadly applied; multi-use technologies, which benefit multiple segments of an industry or group of industries; and high-potential breakthrough technologies, which typically involve risk levels and time frames that far exceed the horizons of individual firms. In each of these areas, the financial and market interests of individual firms tend to produce a suboptimal level of investment for the economy and society as a whole. To address this problem, the Advanced Technology Program (ATP) provides industry with the opportunity to invest in and develop innovative technologies that promise significant commercial payoffs and broad benefits for the nation.

ATP evaluates its performance through a combination of methods, including economic assessments of project developments and long-term impacts, output tracking, detailed status reports on completed projects, and various activity metrics. ATP continuously strives to define the state of the art in technology impact/outcome evaluation. Highly qualified academic and consulting economists and other experts in evaluation, in addition to in-house staff, assist ATP in planning, modeling, and developing databases, and in conducting surveys, case studies, and statistical and econometric analyses.

Measure 3a: Economic impact studies

Economic impact studies are not cumulative; therefore, aggregate numerical targets and performance data are not applicable and are not provided here. Additional information is provided below.

Explanation of Measure

Fully successful ATP projects are expected to contribute significantly to the U.S. scientific and technical knowledge base, yield private benefits to the innovators, and ultimately yield benefits to others in the United States through market, knowledge, and/or network spillovers. The measurement of long-term economic outcomes requires well-established projects with technological outputs that have been in the market for long time periods.

¹⁶ This Performance Goal was called Performance Goal 2 in previous versions of the Annual Performance Plan. The Performance Goals were renumbered to maintain consistency with the Department's new Strategic Plan for FY2000-FY2005.

Few technologies generated through ATP funding have existed for long enough to generate impact data that would support reliable estimates of benefit/cost ratios, social rates of return, and similar outcome measures. However, significant interim impacts have been generated by ATP projects funded to date. For instance, in FY 2000 ATP updated its analysis of data gathered through its Business Reporting System; this confirmed the results of a prior study and extended the findings to encompass a larger portfolio of projects and participants and a longer period of ATP funding.¹⁷ This study found positive results for each of ATP's major programmatic goals:

1. Generating high-risk, high-impact technologies: 73 percent of organizations reported a higher level of technical risk than could be supported by industry alone, and 38 percent of the applications represent "new-to-the-world" solutions.
2. Fostering collaboration: 86 percent of organizations reported that their project had involved collaboration with other organizations (88 percent of those organizations reported that ATP was responsible to a great or moderate extent for the collaboration).
3. Accelerating the development and commercialization of advanced technologies: 86 percent of organizations reported they would not have undertaken the project without the aid of ATP or were significantly ahead in their R&D cycles as a result of ATP funding.¹⁸

In addition to analyzing data gathered through the Business Reporting System, ATP also conducts or contracts detailed and rigorous case studies. These studies focus on evaluating ATP's performance in the three output categories that derive from ATP's core programmatic goals. Where possible, these studies also estimate long-term project outcomes (see table below).

¹⁷ Jeanne W. Powell and Karen L. Lellock, Development, Commercialization, and Diffusion of Enabling Technologies: Progress Report (NISTIR 6491; 2000).

¹⁸ Ibid.

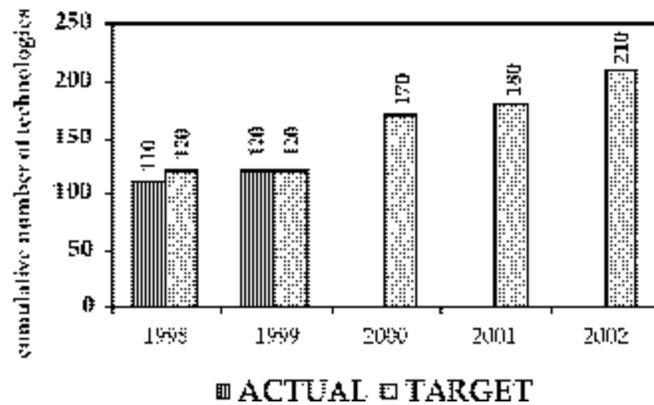
Completed studies* (year and type)	ATP Outputs			ATP Outcomes
	Fund high-risk, high-impact R&D	Foster collaboration	Accelerate development and commercialization	Generate economic spillovers (e.g., broad-based
<i>Estimating Future Consumer Benefits From ATP-Funded Innovation: The Case of Digital Data Storage</i> (2000) (two case studies with projections)	Two new data storage technologies: one based on linear scanning, magnetic tape; one based on optical tape	Collaborators on the magnetic tape project included a tape media company, Imation; a data storage systems company, Seagate Technology; two small technology companies, Advanced Research Corporation and Peregrine Recording Technology; and four universities	Investments would not have occurred without ATP support	These new data storage technologies improve the performance of information/computing systems by offering faster writing and retrieval of information and increased storage capacity. Spillover benefits to purchasers/users are projected to be \$2.2 billion for the new magnetic tape technology and \$1.5 billion for the new optical tape technology
<i>Economic Impacts of Flow-Control Machining Technology: Early Applications in the Automobile Industry</i> (1999) (case study with projections)	New flow-control machining (FCM) processes for achieving precision in airflow-balancing for engine components	Collaborators included Extrude Hone and General Motors, Ford, the University of Nebraska, and the University of Pittsburgh	Collaborative research project would not have occurred without ATP support	New FCM technologies improve engine performance, fuel efficiency, and emissions output; these outputs in turn increase revenues for auto manufacturers. Spillover benefits accrue to consumers as well as to other manufacturers (turbine engines, diesel injectors, rocket fuel orifices)
<i>Benefits of ATP Funding of Medical Technologies</i> (1998) (seven case studies with projections)	Seven new tissue engineering technologies.		All seven projects reported R&D acceleration and higher probability of success due to ATP funding	Preliminary estimates based on a single early application of each technology suggest a high social rate of return
<i>Advanced Technologies and Systems for Controlling Dimensional Variation in Automobile Body Manufacturing</i> (1997) (case study with projections)	New dimensional control technologies	Collaborators include seven auto supplier companies, two universities, and two major U.S. automotive companies	Collaborative research project would not have occurred without ATP support	Reduced production costs (\$10–\$25 per vehicle) and maintenance costs (\$50–\$100 per vehicle); estimated long-term impacts include higher customer satisfaction, increased market share, increased output, and higher employment

(table continues next page)

Completed studies* (year and type)	ATP Outputs			ATP Outcomes
	Fund high-risk, high-impact R&D	Foster collaboration	Accelerate development and commercialization	Generate economic spillovers (e.g., broad-based
<i>Early Stage Impacts of the Printed Wiring Board</i> (1997) (case study)	New manufacturing processes for printed wiring board (PWB) interconnect systems; 214 research papers produced	Collaborators include four PWB producers and two supplier/user companies, and Sandia National Laboratory	Approximately half of the 62 research tasks would not have been performed at all; others were undertaken sooner than would have been in the absence of ATP support	Research cost savings of \$35.5 million; time to implement new processes shortened for approximately 80 percent of research tasks; productivity gains to date in 40 percent of research areas, with an estimated value of \$5 million
<i>Acceleration of Technology Development by the ATP: The Experience of 28 Projects Funded in 1991</i> (1997).			R&D cycle time reduced by at least 50 percent for most projects (median value of year saved is \$5.5 million); 86 percent of projects expected faster market entry as a result	86 percent of projects expected cycle-time improvements would carry over to non-ATP projects as a result of new practices adopted in ATP project

* Copies of completed studies can be obtained at: http://www.atp.nist.gov/eao/eao_pubs.htm.

Measure 3b: Cumulative number of technologies under commercialization



Data Validation and Verification
(see below for information on all ATP metrics)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	120	170	180	210
Actual	120	Not yet available due to data collection lag		
Met / Not Met	Met	Uncertain		

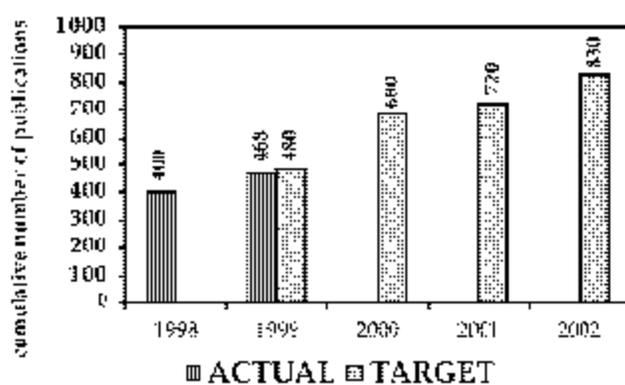
Explanation of Measure

This metric tabulates the cumulative number of new technologies under commercialization that are traceable to ATP funding at the close of a fiscal year. Commercialization is broadly defined as any group of activities undertaken to bring products, services, and processes into commercial applications, including development of commercial prototypes, adoption of processes for in-house production, development of spin-off products and processes, scale-up for volume production, and the sale and licensing of products and services derived from the technology base created by the ATP-funded project. This measure indicates the extent to which ATP-funded research and development has leveraged new products and services, which in turn improve the prospects for technology-led economic growth.

The data provide a cumulative direct count of the number of technologies commercialized, as determined through ATP's Business Reporting System. Final data for FY 2000 are not yet available due to surveying procedures and data collection and analysis requirements.¹⁹ Final data for FY 1999 are reported here for the first time (this information was not included in previous GPRA-related reports). For FY 1999, the number of technologies commercialized represents 100 percent of the expected level; FY 2000 and out-year projections are based on extrapolations of past commercialization rates and projections of projects initiated and completed. These projections have been updated to take into account all currently available data. For example, the FY 2000 target for this metric was originally set at 180 in the FY 2000 Annual Performance Plan. This target was subsequently revised to 170 in the FY 2001 Annual Performance Plan and FY 1999 Annual Program Performance Report as more data became available for formulating accurate projections.

Out-year projections for ATP performance measures are based on the FY 2002 President's budget, which provides no funding for new ATP grants in fiscal year 2002. Projections for performance measures in any specific fiscal year depend heavily on the number of projects expected to be completed in that year; i.e., they reflect outputs from projects funded during the previous three to five years. Thus, performance forecasts for 2002 will not be impacted significantly by this budget scenario. The impact of the FY 2002 President's budget will be reflected in performance estimates beyond FY 2003. These revised out-year projections will be reported elsewhere, as required.

Measure 3c: Cumulative number of publications



Data Validation and Verification

(see below for information on all ATP metrics)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	480	680	720	830
Actual	468	Not yet available due to data collection lag		
Met / Not Met	Not Met	Uncertain		

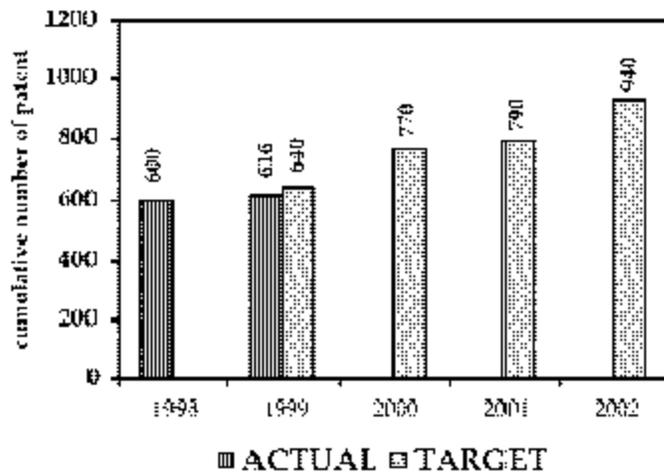
¹⁹ For all ATP output metrics, final data for FY 2000 will not be available until approximately May 2001 and will be reported in the FY 2001 Annual Program Performance Report.

Explanation of Measure

As described above (see measure 2f), NIST uses publications as one mechanism for transferring the results of its work to the U.S. private sector and to other government agencies. Data represent a cumulative direct count of the number of publications generated by ATP-funded research. Final data for FY 2000 are not yet available due to surveying procedures and data collection and analysis requirements. Final data for FY 1999 are reported here for the first time (this information was not included in previous GPRA-related reports). ATP incorporated this measure for GPRA purposes in FY 1999; forecast data are therefore not available for FY 1998. In FY 1999, the number of publications produced represents 98 percent of the expected level; the slight difference between the actual performance and the target level is due to the inaccuracies inherent in any forecasting methodology. Projections are based on extrapolations of past publication rates and projections of projects initiated and completed over time and are updated to reflect all currently available data; however, these targeting mechanisms are not perfectly accurate. The FY 2000 target for this metric was originally set at 900 in the FY 2000 Annual Performance Plan. This target was subsequently revised to 680 in the FY 2001 Annual Performance Plan and FY 1999 Annual Program Performance Report as more data (including actual data for FY 1998) became available for formulating accurate projections.

Out-year projections for ATP performance measures are based on the FY 2002 President's budget, which provides no funding for new ATP grants in fiscal year 2002. Projections for performance measures in any specific fiscal year depend heavily on the number of projects expected to be completed in that year; i.e., they reflect outputs from projects funded during the previous three to five years. Thus, performance forecasts for 2002 will not be impacted significantly by this budget scenario. The impact of the FY 2002 President's budget will be reflected in performance estimates beyond FY 2003. These revised out-year projections will be reported elsewhere, as required.

Measure 3d: Cumulative number of patents filed



Data Validation and Verification
(see below for information on all ATP metrics)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	640	770	790	940
Actual	616	Not yet available due to data collection lag		
Met / Not Met	Not Met	Uncertain		

Explanation of Measure

Data represent a cumulative direct count of the number of patents filed by ATP-funded research project participants through the close of a fiscal year. Final data for FY 2000 are not yet available due to surveying procedures and data collection and analysis requirements. Final data for FY 1999 are reported here for the first time (this information was not included in previous GPRA-related reports). As with the publication count, ATP first incorporated this measure for GPRA purposes in FY 1999; forecast data therefore are not available for FY 1998. In FY 1999, the cumulative number of patents filed represents 96 percent of the expected level; the slight difference between the actual performance and the target level is due to the inaccuracies inherent in any forecasting methodology. Projections are based on extrapolations of past patenting rates and projections of projects initiated and completed over time and are updated to reflect all currently available data; however, these targeting mechanisms are not perfectly accurate. The FY 2000 target for this metric was originally set at 690 in the FY 2000 Annual Performance Plan. This target was subsequently revised to 770 in the FY 2001 Annual Performance Plan and FY 1999 Annual Program Performance Report as more data (including accurate data for FY 1998) became available for formulating accurate projections.

Out-year projections for ATP performance measures are based on the FY 2002 President's budget, which provides no funding for new ATP grants in fiscal year 2002. Projections for performance measures in any specific fiscal year depend heavily on the number of projects expected to be completed in that year; i.e., they reflect outputs from projects funded during the previous three to five years. Thus, performance forecasts for 2002 will not be impacted significantly by this budget scenario. The impact of the FY 2002 President's budget will be reflected in performance estimates beyond FY 2003. These revised out-year projections will be reported elsewhere, as required.

Data Validation and Verification: ATP Technologies Commercialized; Publications; and Patents Filed

Data source: Data are gathered from the portfolio of ATP project participants (funded since 1993) through company filings of patent information to the NIST Grants Office (a legal requirement) and an electronic survey instrument under ATP's Business Reporting System (BRS). Separate portfolio-based telephone surveys are conducted of project participants funded prior to 1993 and for post-project data collection

Frequency: Annual over the course of ATP funding for projects funded since 1993; intermittent for projects funded prior to 1993; every two years (up to six years) after ATP funding ends

Data storage: ATP's Office of Economic Assessment maintains BRS data in an integrated set of databases covering both descriptive information about the funded organizations and survey responses for all participants in ATP-funded research projects

Verification: ATP's Business Reporting System has been evaluated by external auditors. In addition, all ATP reports using BRS data and patent reports filed through the NIST Grants Office are monitored closely by ATP for research quality and are subject to extensive NIST-wide review and critique prior to being issued

Data limitations: The BRS electronic survey and other telephone survey instruments represent a standardized reporting system. Standard sources of uncertainty include variation in interpretation of specific questions; variation in the estimation techniques used in response to specific questions; variation in the quality of industry data; and missing values

FY 2000 Program Evaluation for TA Performance Goal 3: Accelerate technological innovation and development of the new technologies that will underpin future economic growth

While the Advanced Technology Program (ATP) did not complete a formal program evaluation in FY 2000, the programmatic objectives and performance of ATP are reviewed regularly by the Visiting Committee on Advanced Technology, a legislatively mandated panel of advisors that meets quarterly to review NIST's general policy organization, budget, and programs, and by the Advanced Technology Program Advisory Committee. The Advisory Committee is charged with: (1) providing advice on ATP programs, plans, and policies; (2) reviewing ATP's efforts to assess the economic impact of the program; (3) reporting on the general health of the program and its effectiveness in achieving its legislatively mandated mission; and (4) functioning solely as an

advisory body, in accordance with the provisions of the Federal Advisory Committee Act. ATP has also been subject to a number of external reviews focused on program performance over the past decade, including a broad programmatic review by the National Research Council (NRC) Board on Science, Technology, and Economic Policy (STEP). The first volume of this review, entitled *The Advanced Technology Program: Challenges and Opportunities* (1999), is available on-line at <http://www.nap.edu/books/0309067758/html/>.

Discontinued Measures

None.

Summary Actions Related to Performance Goal 3

Action Plan

Strategies	Activities
Support high-risk, broad-impact, infrastructural technologies	Maintain partnerships for the development of emerging, infrastructural, and/or multi-use technologies
Support Department efforts to evaluate ATP	Specific activities will depend on the nature of the review and evaluation of ATP

Cross-Cutting Activities

Other government agencies

The Advanced Technology Program (ATP) leverages the expertise of scientists and engineers from a wide variety of government agencies and laboratories participating on ATP Source Evaluation Boards. In addition, ATP program managers work with program managers from other government agencies to ensure that projects are complementary and relevant: coordination committees in several disciplines have been brought together for this purpose. This also creates an opportunity to examine government R&D from a high level for specific technologies.

Government / Private sector

The Advanced Technology Program was established to co-fund with the private sector a broad array of path-breaking new industrial technologies. The program solicits proposals for innovative, high-risk R&D in any industry or field of technology that offers the potential for widespread benefits for the U.S. economy and society as a whole. ATP projects range from aquaculture to X-ray lithography, and the program has contributed significantly to technological advances in fields as diverse as automated DNA analysis, automobile assembly, tissue engineering and software systems. Companies of any size may apply to the program and many successful projects have been developed by small companies. Many universities have participated in ATP-supported research, but industry must lead ATP projects.

External Factors and Mitigation Strategies

ATP has little control over many aspects of the performance measures listed in this document. ATP is designed to fund high-risk technologies through partnerships with industry; both the nature of the projects and the location of the research performance intrinsically convey a high degree of uncertainty and a relatively low degree of control. For instance, the rate at which ATP-funded technologies are commercialized will vary in part due to technological uncertainties intrinsic to the R&D enterprise and in part to the particular strategies and efforts of the businesses performing the research. Other metrics, such as publication and patenting rates, will be affected not only by the level of technologies commercialized but also by company-specific strategies and market conditions. For example, patenting is more common in some industries than others, and a variety of factors affect the patenting and/or publishing choices of individual firms. Variation in growth rates and development trajectories add additional uncertainty: some technologies are commercialized rapidly once the research is completed, while others require extensive product development and clinical trials before significant commercialization can occur. There are no practical mitigation strategies for these external sources of uncertainty other than maintaining robust program management and data collection systems. ATP insists that its companies abide by the terms and conditions of the cooperative agreement, which include intellectual property and commercialization provisions.

Performance Goal 4: Improve the technological capability, productivity, and competitiveness of small manufacturers (NIST)²⁰

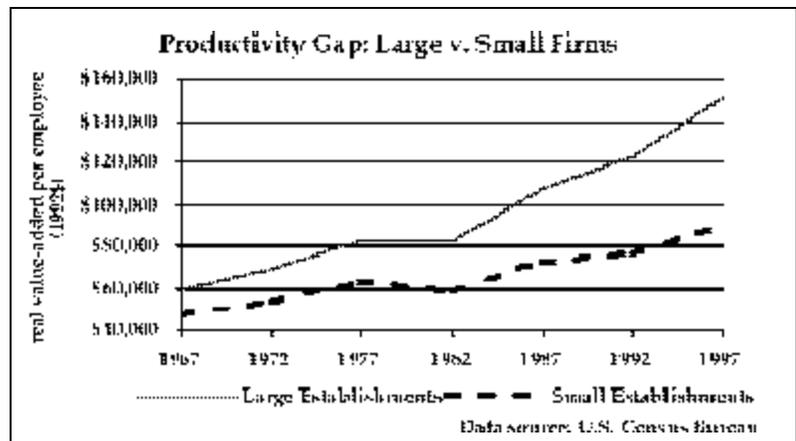
Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

Objective 2.1: Provide infrastructural tools and capabilities that improve the productivity, quality, and efficiency of research and innovation processes

Rationale for Performance Goal

While U.S. manufacturing firms are among the most productive in the world, small manufacturers consistently lag behind their larger counterparts, which are able to apply their greater financial, technical, and human resources to production modernization and continuous performance improvements. But the nation's 361,000 small manufacturers employ more than 11 million people—about two-thirds of the manufacturing workforce—and produce intermediate parts and equipment that contribute more than half of the value of U.S. manufacturing production. Their role in manufacturing supply chains means that the nation's future manufacturing productivity will rest largely on the ability of these small firms to improve their quality, raise their efficiency, and lower their costs.



The comparatively low productivity growth of small U.S. firms can be attributed to numerous factors, including technical, cost, and information barriers. NIST helps small firms overcome these barriers through the Manufacturing Extension Partnership (MEP). MEP, comprised of a national network of centers and field offices serving small manufacturers, provides information, decision support, and implementation assistance to help businesses adopt new and more advanced manufacturing technologies, techniques, and business practices.

Through an annual client survey, MEP reports performance measures that track the impact of MEP assistance on several major business indicators, including (1) increased sales attributed to MEP assistance, (2) capital investment attributed to MEP assistance, and (3) cost savings attributed to MEP assistance.

In FY 2000, MEP significantly improved the process by which it evaluates its clients' performance by updating its survey instrument and collection methods. Improvements to the survey design and implementation process have made it more likely that a larger number of surveyed clients will be able to provide high-quality, quantifiable responses to interview questions. For example, new categories of questions were added to improve data utility and the wording of the questions was revised to improve accuracy and efficiency. In addition, clients are asked to comment on the impact of MEP services on intermediate outcomes such as improvements in

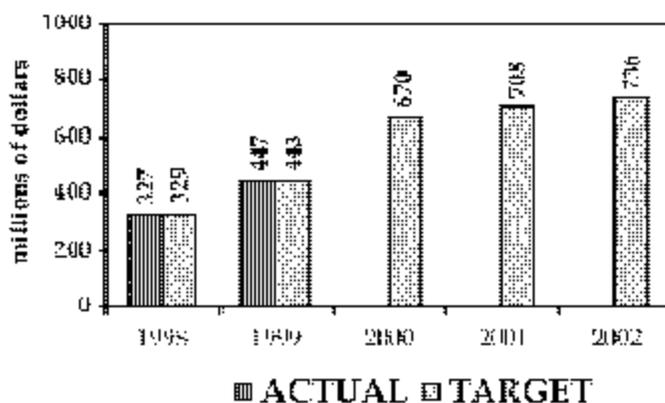
²⁰ This Performance Goal was called Performance Goal 3 in previous versions of the Annual Performance Plan. The Performance Goals were renumbered to maintain consistency with the Department's new Strategic Plan for FY 2000–FY 2005.

manufacturing, sales/marketing, human resources, information and management systems, and client satisfaction. The new survey process is client-based rather than activity-based—it takes a more holistic approach, asking clients to estimate how the entire group of services an MEP Center has provided over the previous two years has affected business performance in the 12 month period prior to the survey date.

Until FY 1999, MEP used data from its survey to report annual performance on four major quantitative business indicators: (1) increased sales, (2) capital investment, (3) inventory savings, and (4) labor and material savings. However, based on the improvements to the survey instrument and method, the data collected now map more directly to three performance metrics (described below), rather than the original four. The principal change was that the previously reported metrics of inventory savings and labor and materials savings were rolled into a more comprehensive measure, cost savings. Cost savings includes not only inventory, labor, and materials costs, but also additional savings such as energy costs. This metric offers a more complete picture of the cost savings that MEP Centers provide to their clients.

Two additional factors should be noted when considering the measures discussed below. First, MEP's data collection and reporting process lags by approximately one year due to the requirements of its surveying procedures; for example, clients who completed a project with MEP in January 1999 were surveyed in early 2000. Second, based on the initial data collected using the new survey instrument and process, more accurate out-year projections for MEP's performance on its three indicators are now possible. As a result of the improved survey system, the data collected in FY 2000 for FY 1999 outcomes significantly surpass the original forecasts, which were based on the data patterns observed through the old survey instrument. In the sections that follow, the data and targets for FY 1998 and the targets for FY 1999 were computed using the old survey and method. The actual data for FY 1999 and all out-year projections are based on the new survey instrument and process.

Measure 4a: Increased sales attributed to MEP assistance



Data Validation and Verification

(see below for validation and verification information on all MEP metrics)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	\$443M	\$670M (revised)	\$708M (revised)	\$736M (revised)
Actual	\$447M (FE) ²¹	Not yet available due to data collection lag ²²		
Met / Not Met	Met	Uncertain		

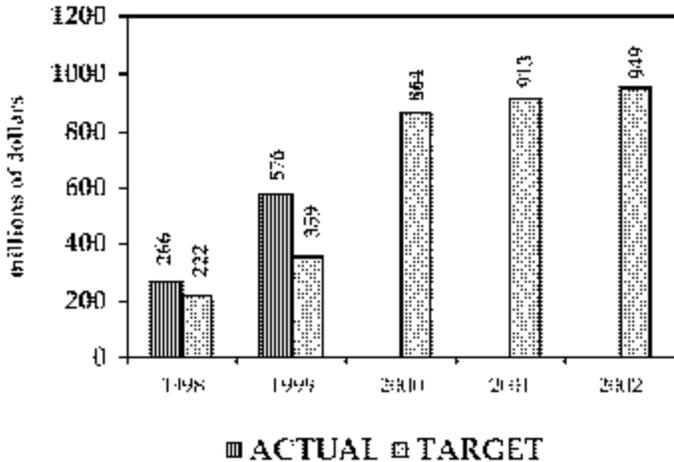
²¹ FE indicates final estimate. FY 1999 data are listed as final estimates because the switch to the new survey instrument occurred in the middle of the reporting cycle for FY 1999 (January 2000 data collection corresponds to activities undertaken in early 1999). Final data for FY 1999 cover only January–October 1999.

²² For all MEP output metrics, final data for FY 2000 will not be available until the end of FY 2001, and will be reported in the FY 2001 Annual Program Performance Report.

Explanation of Measure

See below.

Measure 4b: Capital investment attributed to MEP assistance



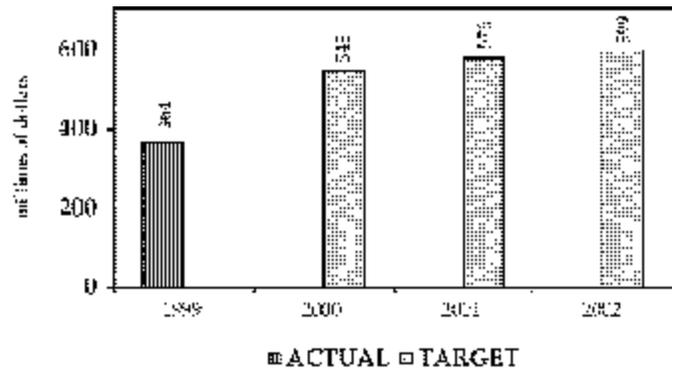
Data Validation and Verification
 (see below for validation and verification information on all MEP metrics)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	\$359 M	\$864M (revised)	\$913M (revised)	\$949M (revised)
Actual	\$576M (FE) ²¹	Not yet available due to data collection lag ²²		
Met / Not Met	Met	Uncertain		

Explanation of Measure

See below.

Measure 4c: Cost savings attributed to MEP assistance



Data Validation and Verification
 (see below for validation and verification information on all MEP metrics)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	NEW	\$545M (new)	\$576M (new)	\$599M (new)
Actual	\$364M (FE) ²¹	Not yet available due to data collection lag ²²		
Met / Not Met		Uncertain		

Explanation of Measures

The goal of MEP is to assist small firms in overcoming barriers to productivity growth by providing information, decision support, and implementation assistance to help businesses adopt new and more advanced manufacturing technologies, techniques, and business practices. The measures reported above allow MEP to track the impact of its services on three key quantitative business indicators: (1) increased sales attributed to MEP assistance, (2) capital investment attributed to MEP assistance, and (3) cost savings attributed to MEP assistance. However, the measures represent only partial indicators of the impact of the MEP Centers. Many of the benefits of MEP's services are intangible, difficult to quantify, and/or are qualitative in nature.

As described above, the out-year projections for the improved MEP performance metrics have been revised based on the initial FY 1999 data reported via the new client survey system. The tables and graphs above have been updated accordingly and differ from previously reported figures. Also, note that FY 1999 figures are listed as final estimates ("FE") because the switch to the new survey instrument occurred in the middle of the reporting cycle for FY 1999 (January 2000 data collection corresponds to activities undertaken in early 1999). Final data for FY 1999 cover only January–October 1999. (See also "Discontinued Measures," below.)

Data Validation and Verification: MEP Competitiveness Indicators

Data source: Extensive telephone survey of MEP clients conducted by Market Facts Incorporated (MFI), a nationally recognized survey research firm headquartered in Arlington Heights, IL

Frequency: The survey is conducted four times per year, but each client is contacted only once per year. This change was implemented to reduce respondent burden, improve overall response rates, raise data quality, and align the measures with MEP's strategic emphasis on long-term relationships designed to transform client firms. Clients are asked to estimate how the entire group of services an MEP Center has provided over the previous two years has affected their business performance in the 12-month period prior to the survey date

Data storage: MEP collates and stores survey data received from MFI

FY 2000 Program Evaluation for TA Performance Goal 4: Improve the technological capability, productivity, and competitiveness of small manufacturers

In addition to program guidance provided by NIST management, MEP evaluates its performance through a combination of methods, including: (1) independent evaluation of MEP program plans and policies by the MEP National Advisory Board; (2) legislatively mandated independent panel reviews of individual MEP Center operations and outcomes conducted against criteria adapted from the Malcolm Baldrige National Quality Award; (3) regular program oversight and periodic review of individual MEP Center operations and outcomes by NIST staff; and (4) special studies of national program impacts. These reviews and assessments use a variety of performance measures, including output tabulations; estimates of interim impacts on client competitiveness, derived from regular surveys of MEP Center clients; and analyses of more detailed information regarding the operations and performance of individual MEP Centers. MEP uses the information obtained through these review mechanisms primarily to anticipate potential changes that may impact small manufacturers (such as to

the economic or regulatory environments), improve the quality of the services its centers provide to their clients, and develop or adapt products and services for dissemination through the MEP Centers.

Discontinued Measures: *Inventory savings attributable to MEP assistance; Labor and material savings attributable to MEP assistance*

As explained above, the survey instrument and method used by MEP to gather information from its clients was revised significantly in FY 2000. Based on this improved survey instrument, the data collected now map more directly to three performance metrics rather than the four reported in previous GPPRA-related documents. A summary of the changes to the MEP metrics (and corresponding performance data and targets) follows in the table below.

SUMMARY OF CHANGES TO MEP METRICS AND CORRESPONDING DATA AND PERFORMANCE TARGETS

Old Metric	New Metric	Comments
Increased sales attributable to MEP assistance	Increased sales attributable to MEP assistance	No change to these two metrics. Considerable increases for FY 1999 final estimates (over target) and out-year projections are attributable to the changes in survey implementation. Specifically, the new survey is client-based rather than activity-based, taking a more holistic approach to client-MEP Center interaction; it has been redesigned so that respondents can more easily provide quantifiable answers to survey questions; it reflects an emphasis on longer-term relationships with clients; and MEP Centers confirm contact information
Capital investment attributable to MEP assistance	Capital investment attributable to MEP assistance	
Inventory savings attributable to MEP assistance	Cost savings attributable to MEP assistance	Represents inventory, labor, and materials savings, combined with additional savings such as energy costs. This metric offers a more comprehensive picture of the cost savings that MEP Centers may provide to their clients
Labor and material savings attributable to MEP assistance		

Summary Actions Related to Performance Goal 4

Action Plan

Strategies	Activities
Assist in transforming a larger percentage of the nation's small manufacturers into high-performance enterprises	<ul style="list-style-type: none"> • Provide MEP Centers and clients with access to a wider range of technologies and business practices by generating an integrated knowledge network focused on high-performance processes, market dynamics, technological trends, and competitiveness indicators • Improve each center's effectiveness and efficiency by improving the level of technical capacity in the field and assisting centers in developing effective management information systems

Cross-Cutting Activities

Intradepartmental

MEP has collaborated with the *International Trade Administration (ITA)*, the *Minority Business Development Agency (MBDA)*, and the *Economic Development Administration (EDA)* on a number of projects. For example, MEP has worked with ITA on efforts to open global markets to American small and medium-sized manufacturers interested in but inexperienced with exporting activities.

Other government agencies

MEP collaborates with a wide range of agencies that regulate or provide programs and services that affect small manufacturing businesses, including the *Departments of Agriculture, Defense, Energy, Health and Human Services, Housing and Urban Development, and Labor*, as well as with the *Environmental Protection Agency, National Aeronautics and Space Administration (NASA)*, and the *Small Business Administration*.

Government / Private sector

As described above, MEP Centers, delivering services to firms in all 50 States and Puerto Rico, work directly with small and medium-sized manufacturers—typically, those with fewer than 500 employees. Because the MEP Centers are joined together in a network through NIST, even the smallest firms are able to tap into the expertise of knowledgeable manufacturing and business specialists throughout the United States. MEP Centers assist firms in areas such as quality management systems, business management systems, human resource development, market development, materials engineering, plant layout, energy audits, and environmental studies.

External Factors and Mitigation Strategies

The economic and technological environment for small manufacturers in the United States continues to change rapidly. To maximize its effectiveness, MEP must not only respond rapidly to its clients' changing needs, but also must anticipate changes in the business environment facing small manufacturers. In areas such as E-commerce, where technological developments are revolutionizing the competitive landscape for virtually all small businesses, MEP has been working aggressively to develop solutions to common needs among its client base. Anticipating and developing solutions to broad business challenges requires long-term budget and planning commitments, however.

Performance Goal 5:

Assist U.S. businesses and other organizations in continuously improving their productivity, efficiency, and customer satisfaction by adopting quality and performance improvement practices (NIST)²³

Corresponding DOC Strategic Goal and Objective

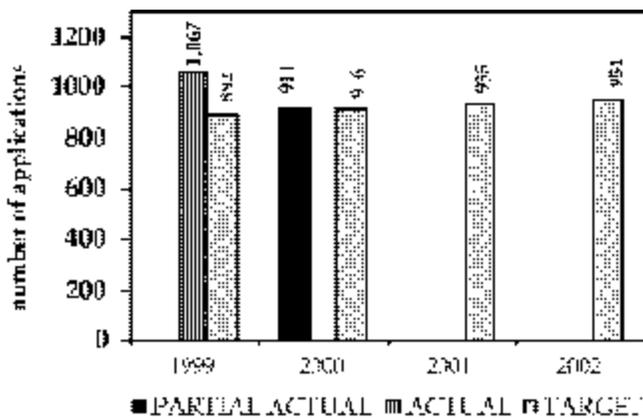
Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

Objective 2.1: Provide infrastructural tools and capabilities that improve the productivity, quality, and efficiency of research and innovation processes

Rationale for Performance Goal

Quality and performance improvement have become requirements—not options—for competitive businesses and high-performance organizations of all types. Through the Baldrige National Quality Program (BNQP), NIST provides a systematic and well-tested set of business values, performance criteria, and assessment methods that all organizations can use to improve their productivity and effectiveness. Overall, BNQP catalyzes the business community to define what organizations must do to improve their performance and attain (or retain) market leadership, and provides a mechanism for broadly disseminating that information.

Measure 5a: Number of applications to the Malcolm Baldrige National Quality Award (MBNQA) and Baldrige-based State and local quality awards



Data Validation and Verification

Data source: Application data are collected and tracked by the Baldrige National Quality Program
Frequency: Based on the application cycle. Data from State programs are collected annually
Data storage: Baldrige National Quality Program
Verification: Data represent direct and verifiable counts of BNQP business activities and processes. Internal verification includes review by the NIST Director's Office

	FY 1999	FY 2000	FY 2001	FY 2002
Target	892	916	935	954
Actual	1,067	Partial data: 911 ²⁴		
Met / Not Met	Met	Uncertain		

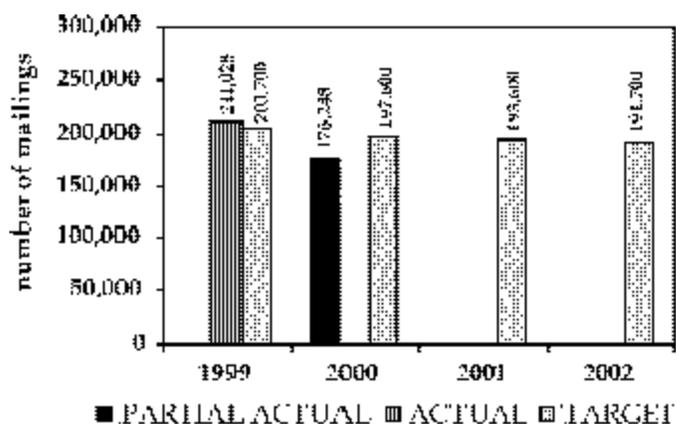
²³ This Performance Goal was called Performance Goal 4 in previous versions of the Annual Performance Plan. The Performance Goals were renumbered to maintain consistency with the Department's new Strategic Plan for FY 2000–FY 2005.

²⁴ Data reflect partial counts obtained from State and local quality programs collected through 3/16/01; final data will be available in April 2001.

Explanation of Measure

See below.

Measure 5b: Number of Baldrige *Criteria* mailed by BNQP and Baldrige-based State and local quality programs



Data Validation and Verification

Data source: Application data are collected and tracked by the Baldrige National Quality Program

Frequency: Based on the application cycle. Data from State programs are collected annually

Data storage: Baldrige National Quality Program

Verification: Data represent direct and verifiable counts of BNQP information dissemination. Internal verification includes review by the NIST Director's Office

	FY 1999	FY 2000	FY 2001	FY 2002
Target	203,700	197,600	193,600	191,700
Actual	211,028	Partial data: 176,248 ²⁴		
Met / Not Met	Met	Uncertain		

Explanation of Measures

BNQP reports two key output metrics: (1) the total number of applications to the MBNQA and Baldrige-based State and local programs, which reflects high-level corporate commitment to quality and high-performance business practices throughout the country; and (2) the number of printed BNQP *Criteria for Performance Excellence* documents that are distributed by BNQP and Baldrige-based State and local quality programs, which illustrates the dissemination of BNQP concepts and methods. Both of these metrics illustrate progress on core BNQP objectives: expanding the program itself and promoting the growth of quality awareness and performance excellence throughout the United States. However, the data are only partial representations of BNQP's output. The application count does not capture the large number of organizations that use Baldrige *Criteria* internally but do not formally apply for MBNQA or State awards. The number of documents mailed also does not capture additional dissemination channels, such as electronic acquisition and dissemination, reproduction of the Baldrige *Criteria* in textbooks, articles, and other documents, and secondary modes of copying and distribution. Moreover, direct counts of BNQP *Criteria* do not capture various formal and informal ways in which BNQP concepts can be disseminated, such as through academic programs, consulting channels, business and organizational management literature, etc. Data from State programs is uneven and difficult to collect, resulting in significant time lags. Even with time lags, however, the available data provide a rough proxy for the leveraging effect of the MBNQA on State-level programs. BNQP uses other methods to assess the program's relevance and utility, such as occasional executive surveys and review of anecdotal evidence. Timeliness of data generated by State quality programs is difficult to influence.

The measure, “Number of Baldrige *Criteria* mailed by BNQP and Baldrige-based State and local quality programs,” was added in the FY 2001 Performance Plan.

FY 2000 Program Evaluation for TA Performance Goal 5: Assist U.S. businesses and other organizations in continuously improving their productivity, efficiency, and customer satisfaction by adopting quality and performance improvement practices

In FY 2000, BNQP began a formal economic impact assessment to evaluate the program’s longer-term economic impact on corporate performance management practices, profitability, and related factors. A final report on this assessment is expected in FY 2001. BNQP will incorporate the results of this assessment into its ongoing efforts to improve the program and increase its impact on American businesses and other organizations. In general, the performance of BNQP is evaluated by the Board of Overseers, a Federal panel of national quality experts from business and academia that advises the Secretary of Commerce. An important part of the board’s responsibility is to assess how well BNQP is serving the national interest. The board reviews all aspects of BNQP, including the adequacy of the *Criteria for Performance Excellence* and processes for making Baldrige Awards, and reports its recommendations to the Secretary. Other annual external reviews are provided to NIST by the Panel of Judges and the Foundation for the Malcolm Baldrige National Quality Award (MBNQA). The House Committee on Science, Space and Technology additionally conducts occasional oversight hearings involving winners of the award, NIST, and outside experts to review the program’s effectiveness and management issues. To ensure ongoing responsiveness to the needs of U.S. industry and business, BNQP also uses an improvement questionnaire and hosts an annual Improvement Day.

Discontinued Measures

No discontinued measures. The second metric, “number of Baldrige *Criteria* mailed by BNQP and Baldrige-based State and local quality programs,” was added after the FY 2000 Annual Performance Plan was published in order to provide additional information about BNQP’s performance.

Summary Actions Related to Performance Goal 5

Action Plan

Strategies	Activities
Continuously improve the Malcolm Baldrige National Quality Award and efforts to disseminate materials for evaluating performance and promoting quality awareness and performance excellence	<ul style="list-style-type: none"> • Continue to promote the new award programs for the education and health care sectors, and explore possibilities for additional award categories • Prepare educational materials (such as case studies) and acquire the capacity to conduct research and generate documents that: identify best practices and articulate the underlying principles of leading management practices; and/or help businesses and other organizations initiate and sustain performance improvement strategies
Continue to promote quality awareness and business excellence practices to small businesses, manufacturers, and other organizations (including in the fields of education and health care)	<ul style="list-style-type: none"> • Use flexible partnerships to reach and address the needs of smaller firms • Lead an expanding national system of State and local quality programs • Prepare educational materials designed to help businesses and other organizations initiate and sustain performance improvement strategies

Cross-Cutting Activities

Other government agencies

BNQP provides the Office of Personnel Management (OPM) with Baldrige *Criteria*, processes, and Baldrige Examiner Board members for the Presidential Quality Award.

Government / Private sector

BNQP has proven to be a remarkably successful government and private sector team effort. The annual government investment of about \$5 million is bolstered by a contribution of more than \$100 million from private sector and State and local organizations, including \$10 million raised by private industry to help launch the program, and the time and efforts of hundreds of largely private sector volunteers. The cooperative nature of this partnership is perhaps best illustrated by the Baldrige Award's Board of Examiners. Each year, more than 300 experts from industry, educational institutions, governments at all levels, and nonprofit organizations volunteer many hours reviewing applications for the Award, conducting site visits, and providing each applicant with an extensive feedback report citing strengths and opportunities to improve.

External Factors and Mitigation Strategies

BNQP's ability to further promote quality awareness and performance excellence will depend in part upon acquiring the formal authority to conduct research, develop data on best practices, and generate self-assessment primers and other educational materials.

Performance Goal 6: Protect the national information infrastructure (NIST)²⁵

Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness.

Objective 2.1: Provide infrastructural tools and capabilities that improve the productivity, quality, and efficiency of research and innovation processes.

Rationale for Performance Goal

The ubiquitous and interconnected nature of information technology (IT) increases the extent to which even limited attacks on or failures of our information infrastructure can broadly disrupt the nation's work. The U.S. economy and society now depend heavily upon computers, and the reliability, security, and quality of our computer systems must be strengthened. The potential dangers of inadequately maintained or constructed systems accumulate as IT systems expand and often are not apparent until major systems fail. Without adequate assurance, the viability of the entire information infrastructure and therefore of the U.S. economy is at risk.

Ensuring the security, reliability, and survivability of the information technology systems and networks that comprise the nation's information infrastructure is an extremely important goal and a major challenge. Vulnerabilities affecting the information and communications infrastructure can potentially affect the entire U.S. economy, not just a single sector or industry. The U.S. Government has sponsored considerable research in the area of computer security for military systems, some of which applies to the critical infrastructure protection problem, but much remains to be done. The Critical Infrastructure Protection Grants Program, a competitive grants program administered by NIST, will target infrastructure security issues applicable to civilian and commercial systems. Since both the military and law enforcement communities rely upon the same public infrastructures as commercial interests, all sectors of the economy and the government will benefit from this research. There is a substantial need for significant new research into advanced technologies, measurements, and methods that can raise the level of reliability and security of critical IT-based systems and networks. This new program will build this R&D capacity by providing research grants, on a competitive basis, to organizations eligible for NIST grants (including universities, private companies, nonprofit organizations, and Federal agencies and laboratories as permitted by law).

Measure 6a: Activity milestones related to program establishment

The NIST program is in the very early stages of development, funded for the first time for FY 2001. NIST is in the process of developing an implementation plan for the program, which will be subject to Congressional approval. In the short-term, activity milestones are more appropriate measures of performance than numerical targets for specific programmatic outcomes.

Explanation of Measure

The primary objective of the Critical Infrastructure Protection Grants Program is to fund research to provide solutions to information security problems that are central to critical infrastructure and that are not being adequately addressed. A secondary objective of the program is to cultivate a security-capable and security-conscious community.

²⁵ This Performance Goal was called Performance Goal 5 in the previous version of the Annual Performance Plan. The Performance Goals were renumbered to maintain consistency with the Department's new Strategic Plan for FY 2000–FY 2005.

Milestones

In the formative stages, the Critical Infrastructure Protection Grants Program will be evaluated through the timely and successful completion of appropriate activity milestones, including:

- completing an implementation plan for the program (already underway)
- making staffing decisions, as necessary
- establishing grant review teams and possible advisory committees
- coordinating and supporting the competitive grant review process
- awarding the first round of research grants
- disseminating the results of the funded research to all relevant parties through the NIST web site, publication in professional journals, and focused meetings
- establishing an evaluation system for the program

Outputs

In subsequent phases, the program will be evaluated through the production, by recipients of the infrastructure protection grants, of core R&D outputs that support the nation's critical information infrastructure. These outputs include advanced technologies and solutions, testing and implementation tools, and standards.

Outcomes

In the longer-term, evaluating the program's performance will require the development of outcome measures that gauge the security, reliability, quality, and survivability of IT systems and networks. Appropriate measures would evaluate the degree to which the expected goals of the program are being achieved. These goals include:

- Improving the scientific and technological basis for infrastructure protection.
- Improving the information security of the nation's critical infrastructure through technology transfer.
- Developing new hardware and software tools and components for the design, construction, and evaluation of security enforcing systems.
- Initiating a technology base of advanced testing and evaluation techniques focused on key security infrastructure components and systems.
- Improving the quality, quantity, and breadth of expertise of the infrastructure security research community.

Comprehensive outcome measures of this nature likely will be difficult to develop, and undoubtedly will apply only after the program has been in operation long enough for its R&D outputs to generate measurable aggregate impacts.

FY 2000 Program Evaluation for TA Performance Goal 6: Protect the national information infrastructure

Because this is a new program, formal program evaluation is neither feasible nor applicable at this time. As the program becomes established, an appropriate evaluation process will be designed and implemented.

Discontinued Measures

No discontinued measures.

Summary Actions Related to Performance Goal 6

Action Plan

Strategies	Activities
<p>In FY 2001 and FY 2002, the Critical Infrastructure Protection Grants Program will work toward its milestones related to program establishment</p>	<ul style="list-style-type: none"> • Complete an implementation plan for the program (already submitted to Congress for approval) • Hire or assign staff, as necessary • Establish grant review teams, as well as possible advisory committees • Coordinate and support the competitive grant review process • Award the first round of research grants • Disseminate the results of the funded research • Establish an evaluation system for the program

Cross-Cutting Activities

Coordination of the Critical Infrastructure Protection Grants Program will necessarily require extensive interactions with industry, other government agencies, academia, and nonprofit organizations. For example, the program plans to conduct regional meetings each year to provide a forum for individuals and companies to share issues or concerns relative to the security of their infrastructures and to identify large issues that exist across domains. Advisory and oversight committees comprised of representatives from relevant government agencies, academia, and the private sector, also are being considered.

External Factors and Mitigation Strategies

As noted above, the program's implementation plan must be reviewed and approved by Congress. In addition, NIST's ability to meet the milestones and objectives outlined above will depend on Congressional funding decisions. Three major external factors are most likely to affect the program's progress toward its longer-term programmatic goals: (1) the technical uncertainty that is intrinsic to the R&D enterprise; (2) the scope of the technologies involved and the pace of technological change; and (3) the dynamics of evolving domestic and international markets. There are no real mitigating strategies for the first factor, other than supporting R&D with the best available people and organizations. To mitigate the effects of the second and third factors, the program will rely on the breadth and technical expertise of the members of the program's and NIST's advisory committees.

**Performance Goal 7:
Collect, organize, preserve, and disseminate government scientific,
technical, and business-related information (NTIS)****Corresponding DOC Strategic Goal and Objective**

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

Objective 2.1: Provide infrastructural tools and capabilities that improve the productivity, quality, and efficiency of research and innovation processes

Rationale for Performance Goal

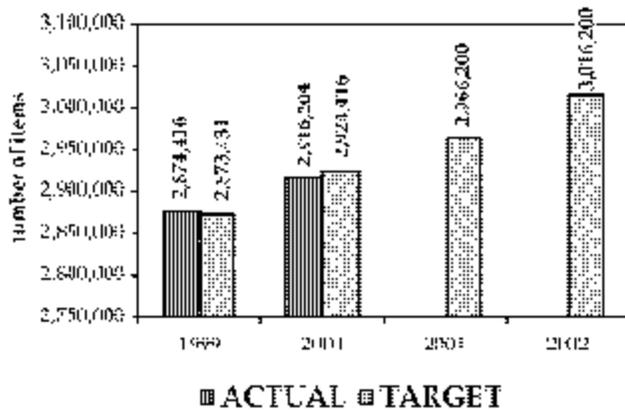
The National Technical Information Service (NTIS) operates a central clearinghouse of scientific and technical information that is useful to U.S. business and industry. NTIS collects scientific and technical information; catalogs, abstracts, indexes, and permanently archives the information and disseminates products in the forms and formats most useful to its customers; develops electronic and other new media to disseminate information; and provides information processing services to other Federal agencies.

NTIS continues to meet the challenge of permanent preservation of and ready access to the taxpayers' investment in research and development through the acquisition, organization, and preservation of the titles added annually to the permanent collection. NTIS promotes the development and application of science and technology by providing technologically advanced global E-commerce channels for dissemination of specialized information to business, industry, government, and the public; and is implementing an initiative that will enable users to locate and download information directly from agency Internet sites.

NTIS collects its material primarily from U.S. Government agencies and their contractors and grantees, as well as from international sources. The NTIS collection includes approximately 3 million titles, including reports describing the results of Federally sponsored research; statistical and business information; audiovisual products; computer software and electronic databases developed by Federal agencies; and reports prepared by foreign research organizations. NTIS maintains a permanent repository of its information products and offers copies of this material to its many customers, largely researchers and business managers in private industry. The disseminated materials may include computer downloads or paper, microfiche, audiovisual, or electronic media.

Overall, dissemination metrics adequately convey NTIS' performance relative to its statutory responsibilities. However, they do not comprehensively represent NTIS' overall output and performance (for instance, NTIS also assists agencies in the production and dissemination of their information). Moreover, these measures do not convey the impact of all of NTIS' services.

Measure 7a: Number of items in archive



Data Validation and Verification

Data source: NTIS operates and maintains internal systems for processing collected information into available products. NTIS records every transaction using a commercial order processing system modified to meet its specific needs

Frequency: Internal management activity reports are produced daily, with monthly summaries

Data storage: All performance-related information is stored within the NTIS order processing system

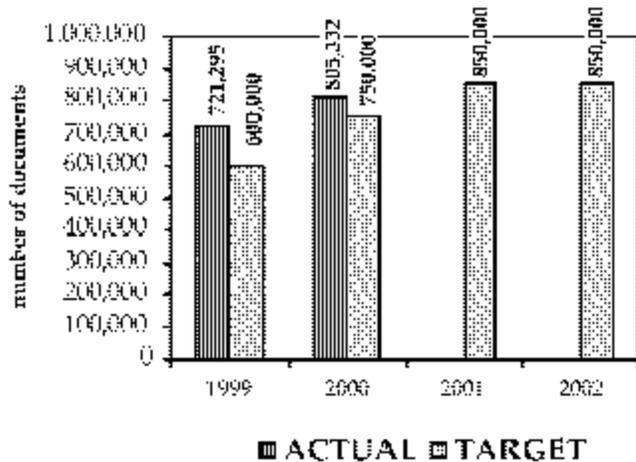
Verification: NTIS accounting and budget offices analyze and report performance output data and revenue and cost data to management. Data verification is provided through regular internal and independent auditor reporting

	FY 1999	FY 2000	FY 2001	FY 2002
Target	2,873,431	2,924,416	2,966,200	3,016,200
Actual	2,874,416	2,916,204		
Met / Not Met	Met	Not Met		

Explanation of Measure

The number of items in the NTIS archive represents the total number of scientific, technical, and engineering information products permanently available for sale to the public. Each publication added to the collection is abstracted, catalogued, and indexed so that it can be identified and merged into the permanent bibliographic database for future generations of researchers and the public who may benefit from this valuable research and innovations. This material is acquired primarily from U.S. Government agencies and their contractors and grantees, but also from international sources. The collection grows by approximately 50,000 items each year, but is largely dependent on input from other government agencies. The FY 2000 actual items input was slightly short of the number anticipated, reflecting possible source agency budgetary and program decisions, particularly regarding use of the Internet as a vehicle for disseminating materials.

Measure 7b: Number of documents reproduced from electronic media



Data Validation and Verification

(see section above regarding the number of items in the archive)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	600,000	750,000	850,000	850,000
Actual	721,295	805,332		
Met / Not Met	Met	Met		

Explanation of Measure

This measure reflects NTIS' success in operation of an electronic storage and on-demand printing system, a large part of NTIS' information dissemination activities. This system, which was implemented in FY 1997, provides an efficient method for distribution of the scientific and technical information maintained in the permanent collection. The electronic document retrieval system allows the imaged files to be located, queued, and printed immediately after an order is placed. All new information products received are scanned and stored in this system, and as older documents are ordered the archived paper copy is scanned into the system and retained electronically.

In FY 2000, the actual number of documents reproduced exceeded the target because the target was established when the program was still in its developmental stages and has since proven to be conservative. The targets for FY 2001 and beyond have been adjusted to better represent an estimate of the anticipated activity based on historical results and projections of inputs to the system.

FY 2000 Program Evaluation for TA Performance Goal 7: Collect, organize, preserve, and disseminate government scientific, technical, and business related information

Agency reviews of these performance measures reinforce recent concerns that the use of the Internet, as well as source agency budgetary and program decisions, are adversely affecting the number of items entered into the permanent archive. NTIS recognizes that the migration from traditional paper copy reports to electronic products is inescapable, and is exploring various methods of preserving and disseminating electronic information.

Discontinued Measures

No discontinued measures.

Summary Actions Related to Performance Goal 7

Action Plan

Strategies	Activities
Play a leadership role in assisting Federal agencies with dissemination of their scientific, technical, and business information	<ul style="list-style-type: none"> • Leverage NTIS experience with information dissemination • Leverage NTIS joint venture authority to broaden distribution
Provide services and infrastructure to control scientific, technical, and business-related information and increase the effectiveness of systems for locating and delivering information in the form required by customers	<ul style="list-style-type: none"> • Leverage NTIS investment in production technologies • Leverage NTIS core capabilities for information management • Leverage NTIS sales and distributor channels • Develop information products and services for agencies

Cross-Cutting Activities

Other government agencies

NTIS provides a variety of services that assist other agencies in developing, producing, and disseminating their information.

External Factors and Mitigation Strategies

The General Accounting Office and the National Commission on Libraries and Information Sciences are reviewing the NTIS mission and functions and their place within the Federal Government's overall scientific and technical information dissemination policies and programs.



National Telecommunications and Information Administration

Mission Statement

The National Telecommunications and Information Administration advises the President on domestic and international communications policy, manages the Federal Government's use of the radio frequency spectrum, and performs research in telecommunications sciences.

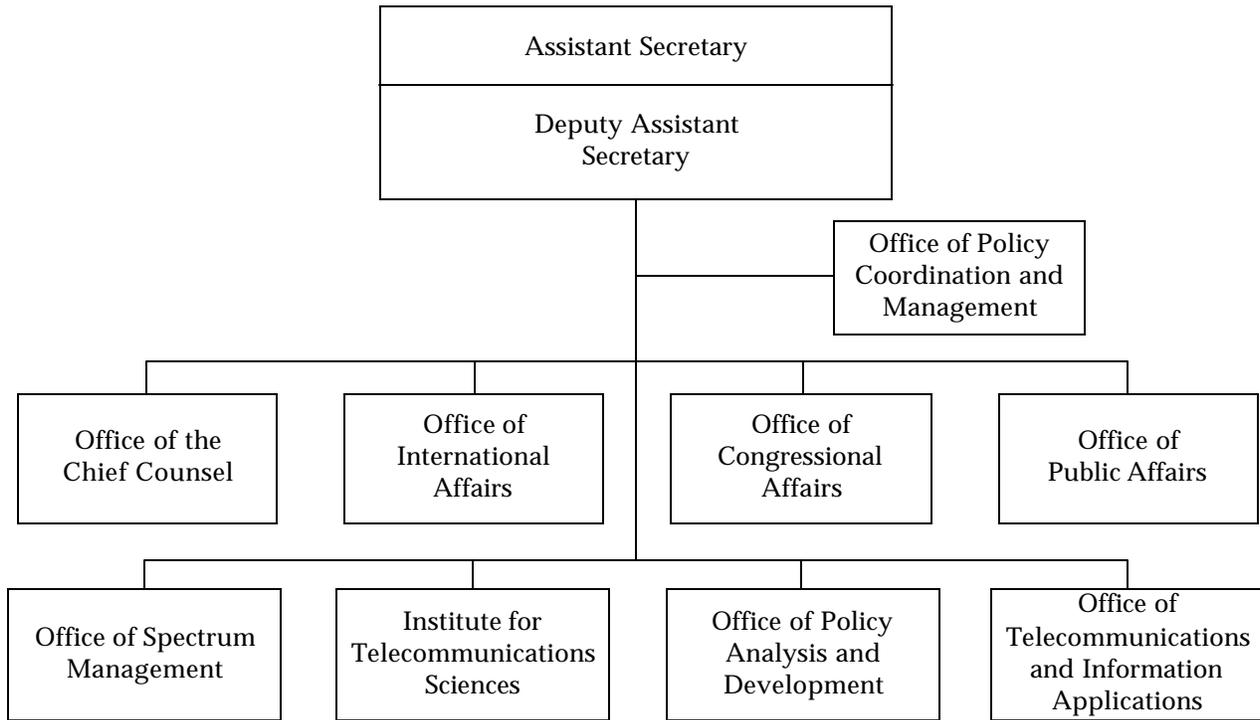
The telecommunications and information sector has become the driver for this country's economic growth. The White House Council of Economic Advisors recently determined that revenues of communications services and equipment companies rose over 60 percent in the last 5 years. Information technology sectors are growing at double the rate of the overall economy. Over a third of real domestic product growth in the past 3 years has come from information technology industries. In 1996, 7.4 million people worked in high-tech jobs, earning an average salary of \$46,000, over 50 percent greater than the average wage of \$28,000. Investments in new technologies—including computers, satellites, wireless devices, and information processing systems—account for over 45 percent of total real business equipment investment.

These developments are affecting every American to some extent, and they are expected to continue. New technologies will shape our economy even more significantly in the 21st century, particularly with the growth of the Internet and electronic commerce (E-commerce). Today some 160 million users worldwide are going on-line to shop, invest, trade, and e-mail, according to Nua Internet Surveys. That figure is expected to increase to 320 million by the end of next year. As more people and businesses connect on-line, the "virtual marketplace" will become commonplace. Electronic commerce among businesses is expected to grow more than 15-fold in the next few years, from \$64 billion in 1999 to \$980 billion in 2003, according to International Data Corporation analysts.

In this environment, NTIA's continuing work through the series of *Falling Through the Net* reports has led to the identification of the "digital divide" as a major national and international issue. With the Secretary of Commerce, NTIA's policy efforts will continue to address this issue so that all can benefit. NTIA's spectrum management and cutting-edge research activities also promote the goal of universal service by identifying innovative uses and resources for affordable, alternative communications services.

NTIA's grant programs serve to demonstrate the effectiveness of new communications and information technology applications in meeting the real needs of community development programs, schools, libraries, and other non-profit organizations. NTIA's grants also help maintain the reach of public broadcasting infrastructure and support its transition to the digital age. Each of these program areas, through integrated domestic and international policy and technical work, keeps promotion of the benefits of competition and universal service as a primary strategic planning goal. The combined technical and policy expertise of the agency helps enable the U.S. to continue its lead in this integral part of global competitiveness.

Organizational Structure



Priorities

NTIA's goals define the agency's priority efforts:

- *Promote Open Markets and Encourage Competition.* Through its domestic policy activities, NTIA is emphasizing the implementation of the Telecommunications Act of 1996 as Congress intended, opening the door to increased competition at both the long-distance and local level for the long-term benefit of both consumers and industry. Broadband services, E-commerce (electronic commerce), and Internet taxes are examples of the issues NTIA is addressing. Internationally, NTIA is promoting pro-competitive U.S. policies, including regulatory reform and technical policies related to advanced technologies and the Internet. These activities will improve the international competitiveness of the U.S. telecommunications and information industry and the ability of U.S. businesses and consumers to have access to high-quality, reasonably priced international services.
- *Ensure Spectrum Provides the Greatest Benefit to All People.* The priorities under this goal include identifying and supporting new wireless technologies with innovative proposals for the benefit of both Federal and private-sector users; providing Federal agencies (53) with the spectrum needed to support their missions for national defense, law enforcement and security, air traffic control, national resource management and other public safety services; developing plans and policies to use the spectrum effectively and efficiently; satisfying the United States' future spectrum needs globally through participation with 190 other countries in the International Telecommunication Union in establishing treaty-binding agreements through the world radio communication conference process; and improving the understanding of radio-wave transmission to enhance spectrum utilization and the performance of radio communications systems through telecommunications research and engineering.

- *Advance the Public Interest in Telecommunications, Mass Media, and Information.* Digital divide, universal service reform, minority ownership development, E-Rate (education rate—program authorized by the Telecommunications Act of 1996 to connect schools, libraries, hospitals, and other non-profit entities to the information infrastructure), Internet privacy, and consumer billings are priority issues where NTIA's expertise will make a difference. NTIA has also been designated by the Secretary to serve as the lead agency for the Information and Communications Sector under the Critical Infrastructure Program, as defined by Presidential Decision Directive 63 (signed in May 1998).
- *Promote the Availability and Sources of Advanced Telecommunications and Information Services.* Access to broadband technology is a critical next step in the evolution of advanced telecommunications and information services. NTIA will influence developments by participating in a joint Federal and State conference, creating a wireless broadband development task force, funding broadband demonstration projects at the community level, and assisting public broadcasters in using digital technologies to improve the public broadcasting infrastructure and expanding services to the public. NTIA helped create the U.S. positions on E-commerce and the Internet, and now advocates these positions abroad. In addition, largely through NTIA's efforts, the Department of Commerce has made substantial progress in transferring the responsibility for managing the Internet Domain Name System to a new corporation and making the domain name registration system competitive.

Management Challenges

Domestic and international policy

There are many aspects of the digital economy and electronic commerce that require the attention of NTIA, including the construction of a policy and regulatory framework that promotes competition and universal service. The Federal Communications Commission (FCC), an independent agency, regulates U.S. non-government communications. NTIA provides Executive Branch views before the FCC, and works with the State Department and the FCC in international forums regarding telecommunications and information policy. The convergence of telecommunications and information policy requires that NTIA personnel continuously monitor industry developments and assess current policy approaches.

Spectrum management

The availability of the radio frequency spectrum is key to the development and implementation of innovative telecommunications technologies. NTIA manages the Federal Government's use of the radio frequency spectrum and is involved in designing a cooperative interagency process with regard to supporting the development of Third-Generation (3G) wireless networks. The demand for spectrum by government and private-sector users requires a continuous assessment of current and future spectrum requirements and the technologies used to meet those requirements.

Telecommunication sciences research

NTIA's telecommunications laboratory, Institute for Telecommunications Sciences (ITS), provides unbiased research and engineering to underpin the policy development and spectrum management work of NTIA, as well as to resolve the myriad telecommunications problems of other Federal agencies and the private-sector.

Grant programs

Formerly titled the Telecommunications and Information Infrastructure Assistance Program, the Technology Opportunities Program (TOP) demonstrates the viability of innovative systems, the utility of interconnection among existing systems, and the use of advanced information technology in the public and non-profit sectors. Funded via the Information Infrastructure Grants account, the model programs can show how advanced telecommunications and information systems stimulate economic expansion, improve learning at all levels, improve the delivery of health care, strengthen public safety communications, and allow greater access for

ordinary citizens to information resources throughout the country. These services are especially needed in rural, remote, and economically disadvantaged areas.

In addition, NTIA continues its program of assisting communities with the equipment needed by local public broadcasting organizations. The Public Telecommunications Facilities Program (PTFP) distributes funds through a merit and need-based competitive grant program that is intended to expand the availability of public broadcasting services to areas without such service. In addition, PTFP assists public radio and television stations in purchasing replacement equipment to maintain existing services. PTFP, in conjunction with the Corporation for Public Broadcasting, also provides the funds to help meet the FCC mandate for digital broadcasting by 2003.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1: Promote competition within the telecommunications sector and promote universal access to telecommunications services for all Americans						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of reports, filings, testimonies, and speeches	New	New	30	32	30	30

Performance Goal 2: Minimize the effects of crisis by preparing the U.S. telecommunications and information infrastructure protection programs						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Increase the number of State, city, and county governments actively engaged in critical infrastructure protection programs.	New	New	New	New	New	1

Performance Goal 3: Ensure allocation of radio spectrum – a scarce resource essential to all communications – provides the greatest benefit to all people						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of new agency-requested spectrum assignment actions	N/A	80,181	80,000	90,615	91,000	91,000

Performance Goal 4: Promote the availability, and support new sources, of advanced telecommunications and information services						
Measure	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Number of models / grants available for non-profit or public- sector organizations	43	43	50	35	80	30

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY 2000 Request	FY 2000 Actual	FY 2001 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1						
Total Funding	10.0	14.0	9.0	15.0	16.0	13.0
*IT Funding	0	1.5	1.5	1.5	1.5	1.6
FTE	86	133	81	124	114	114
Performance Goal 2						
Total Funding	0	4.0	1.0	6.0	0	0
*IT Funding	0	0	0	0	0	0
FTE	0	16	3	21	0	0
Performance Goal 3						
Total Funding	19.0	21.0	19.0	21.0	23.0	23.0
*IT Funding	0	2.4	2.4	3.1	3.1	3.4
FTE	137	139	132	130	132	135
Performance Goal 4						
Total Funding	45.0	55.0	45.0	205.0	90.0	59.0
*IT Funding	0	0.6	0.6	0.7	0.7	0.6
FTE	33	55	30	65	37	37
Grand Total						
Total Funding	74	94	74	247	129	95
Reimbursable**	18	21	20	22	30	22
*IT Funding	0	4.5	4.5	5.3	5.3	5.6
FTE	256	343	246	340	283	286

* It Funding included in Total Funding

** Reimbursable funding included in Total Funding

Skill Summary

NTIA employs policy analysts with legal, economics, and technical skills to perform these activities. NTIA does not have a separate budget category for these activities.

FY 2002 Performance Goals

Performance Goal 1:

Promote competition within the telecommunications sector, and promote universal access to telecommunications services for all Americans

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

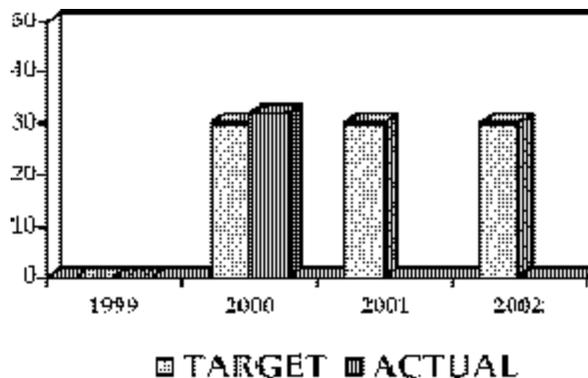
Objective 1.1: Provide the infrastructure to enable the participation of all Americans in the new economy

Rationale for Performance Goal

The telecommunications and information sectors account for approximately 10 percent of U.S. Gross Domestic Product (GDP). Driven in large part by growth of the Internet, this figure is predicted by some experts to approach 20 percent of GDP by 2004. The uneven penetration of Internet usage nationwide means the Department of Commerce must seek ways to redress this imbalance, however, and the National Telecommunications and Information Administration is accordingly pursuing digital inclusion strategies to increase access to advanced communications technologies.

The original FY 2000 performance goal, "Open Markets: Promote open markets and encourage competition," was reworded and strengthened to better define NTIA's strategic direction and reflect evolving FY 2002 departmental strategic goals and objectives.

Measure 1a: Number of reports, filings, testimonies, and speeches



	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	30	30	30
Actual		32		
Met / Not Met		Met		

Data Validation and Verification:

Data source: All NTIA's public materials are posted at <http://www.ntia.doc.gov>

Frequency: Material are posted on the website as soon as they are released to the public

Data storage: Data is stored on servers located at NTIA headquarters in HCHB

Verification: Data is manually verified

Explanation of Measure

The FY 2000 target was met. One of NTIA's primary missions is to serve as the President's principal policy advisor on telecommunications and information issues, and to be the Administration's primary voice on them. NTIA fulfills this policy-setting role in a number of ways during the course of a year, by preparing and issuing a number of special reports on topics that emerge over time, by testifying before Congress and other organizations which are concerned with telecommunications policy, and by NTIA executives and technical experts making speeches to appropriate policy-oriented groups. This measurement of studies, reports, filings, testimonies, and speeches is intended to illustrate the breadth of NTIA's policy-setting involvement in these debates.

FY 2000 Program Evaluation for NTIA Performance Goal 1: Promote Competition within the telecommunications sector and promote universal access to telecommunications services for all Americans

NTIA conducts semi-annual strategic planning retreats with senior executives to evaluate progress and to develop and refine new program goals. These program goals are coordinated with the Secretary of Commerce and the White House to ensure that policy priorities are met within existing resources. Program evaluations determine whether existing resources are being assigned appropriately to the highest priority issues.

Discontinued Measures

None.

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
<p>NTIA is pursuing digital inclusion strategies to increase access to advanced communications technologies. Electronic commerce and Internet taxes are examples of the issues NTIA is addressing. Internationally, NTIA is promoting pro-competitive U.S. policies, including regulatory reform and technical policies related to advanced technologies and the Internet.</p>	<p>During FY 2000, NTIA released a wide range of reports, including the following:</p> <ul style="list-style-type: none"> • <i>How Access Benefits Children: Connecting Our Kids to the World of Information,</i> • <i>Advanced Telecommunications in Rural America, The Challenge of Bringing Broadband Service to All Americans,</i> • <i>Joint Study of Section 1201(g) of The Digital Millennium Copyright Act (with the Library of Congress), and</i> • <i>Community Connections: Preserving Local Values in the Information Age.</i> <p>Also during the year, NTIA testified before Congress on providing loan guarantees to providers to carry local broadcast signals to residents of small, rural local broadcast markets, filed with the FCC on numerous proceedings (including wireless medical telemetry service, maritime mobile and maritime mobile-satellite radio services, extending telecommunications services to tribal lands, reform of interstate access charges, telecommunications deployment and subscribership in unserved and underserved regions, software defined radios, and ultra-wideband transmission systems), and spoke before numerous forums to advance this goal.</p>

Cross-Cutting Activities

Intra-DOC

NTIA supports the Secretary of Commerce on a broad range of telecommunications policy issues. NTIA works with the *International Trade Administration* on international issues and with the *Technology Administration* on domain name issues.

Other Government Agencies

NTIA works with the White House and other Federal agencies to develop Administration-wide policy statements.

Government/Private-Sector

NTIA obtains private-sector views on a broad range of telecommunications and information policy issues through formal proceedings in which public comments are solicited and through public workshops and meetings on specific subjects.

External Factors and Mitigation Strategies

Consideration of telecommunications and information policy issues is affected by the activities of independent regulatory agencies (e.g., the Federal Communications Commission and the Federal Trade Commission), and priorities established for NTIA by the Secretary of Commerce, the White House, and the Congress. The explosive growth of the Internet and its supporting technologies sometimes makes it difficult for Government institutions to coordinate timely policy responses.

**Performance Goal 2:
Minimize the effects of crisis by preparing the U.S. telecommunications and information infrastructure to operate under extreme conditions**

Corresponding DOC Strategic Goal and Objective

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.2: Promote responsible economic growth and trade while protecting American security

Rationale for Performance Goal

The National Telecommunications and Information Administration has been assigned the role of lead agency for protecting the U.S. information and communications infrastructure from intentional cyber or physical attack. This critical infrastructure underpins virtually every national objective, including national security, economic competitiveness, and the health and welfare of the American people. It is also increasingly vulnerable to attack, yet is owned and operated by companies that manage their business risks according to the measure of impact upon their own enterprises. The calculus of risk management, as practiced by industry, does not take into account the potential for devastation on a national scale that is far beyond the responsibilities of these enterprises.

The Nation rightly expects the U.S. Government to bear that responsibility, but while the Government is charged with protecting national interests, it does not have the access, technical capability, or resources to solve the problem alone. The President has therefore directed U.S. Government agencies to work in partnership with the private-sector to meet this responsibility. Developing this partnership, which involves the establishment of new, intricate relationships between Government and industry to eliminate or mitigate sector vulnerabilities, has been difficult, but the partnership is slowly beginning to show promise of growth.

The original FY 2000 performance goal, "Public Interest: Advance the public interest in telecommunications, mass media, and information," was combined with Performance Goal 1 to simplify reporting and to reflect FY 2002 departmental strategic goals and objectives.

Measure 2a: Increase the number of State, city, and county governments actively engaged in critical infrastructure protection programs

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	1 demonstration project*
Actual				
Met / Not Met				

Data Validation and Verification:

Data source: Department of Defense, NTIA's Institute for Telecommunication Sciences and Spectrum Management evaluation reports.

Frequency: Annual.

Data storage: Agency headquarters.

Verification: Agency records.

Explanation of Measure

* This is a new measure added to the FY 2002 plan. It reflects NTIA's commitment to developing the Critical Infrastructure Protection (CIP) program's telecommunications and information capabilities and activities. This demonstration project would be funded by existing resources, since no new funds for it are included in the FY 2002 budget request. If NTIA is successful in conducting the demonstration, NTIA would undertake additional demonstration projects that could serve as examples or models for programs at the State and local level across the country.

FY 2000 Program Evaluation for NTIA Performance Goal 2: Minimize the effects of crisis by preparing the U.S. telecommunications and information infrastructure to operate under extreme conditions

Program evaluation will be conducted by NTIA management in coordination with the Department of Defense. An evaluation component will be built into each demonstration project that is conducted.

Discontinued Measures

None.

Summary Actions Related to Performance Goal 2

Strategies	Activities
NTIA will develop demonstration projects in collaboration with the Department of Defense (DoD) with selected States and cities, to develop coordinated Critical Infrastructure Protection plans.	NTIA / DoD will invite interested local governments to submit letters of interest and proposed commitment of resources.

Cross-Cutting Activities**Intra-DOC**

Presidential Decision Directive 63 (PDD-63) establishes the Department of Commerce as the lead agency for physical and cyber protection of the Information and Communications (I&C) sector. Within the Department, this role has been designated to NTIA. NTIA works on CIP issues in coordination with other Commerce agencies, including *BXA* and *NIST*.

Other Government Agencies

NTIA works on CIP issues in coordination with the *Department of Defense* and the *Critical Infrastructure Assurance Office (CIAO)*.

Government/Private-Sector

NTIA coordinates on CIP issues and activities with the private-sector primarily through the Sector Coordinators—the Telecommunications Industry Association (TIA), the U.S. Telecom Association (USTA), and the Information Technology Association of America (ITAA).

External Factors and Mitigation Strategies

As a new initiative, decisions on funding will determine the extent to which NTIA can pursue this activity.

Performance Goal 3:

Ensure allocation of radio spectrum—a scarce resource essential to all communications—provides the greatest benefit to all people.

Corresponding DOC Strategic Goal and Objective

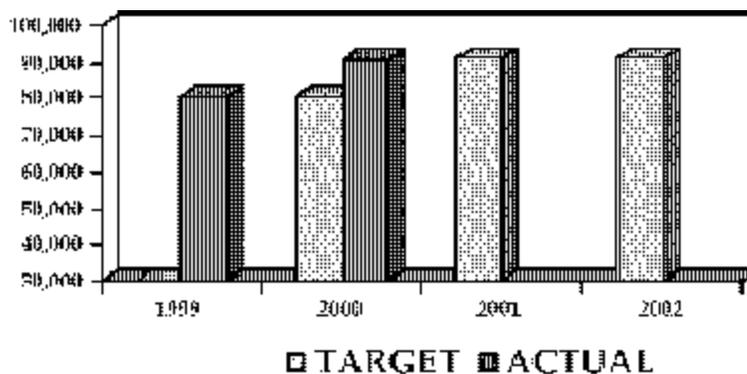
Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Objective 1.2: Promote responsible economic growth and trade while protecting American security

Rationale for Performance Goal

The availability of the radio frequency spectrum is key to the development and implementation of innovative telecommunications technologies. NTIA manages the Federal Government's use of spectrum and is involved in designing a cooperative interagency process with regard to the development of Third-Generation wireless networks. NTIA's activities include identifying and supporting new wireless technologies that promise innovative applications that would provide the greatest benefit to all people served by the Federal and private sectors; providing the 53 Federal agencies with the spectrum needed to support their missions for national defense, law enforcement and security, air traffic control, national resource management, and other public safety services; developing plans and policies to use the spectrum effectively; satisfying the United States' future spectrum needs globally through participation with the 190 other countries of the International Telecommunications Union in establishing binding treaty agreements through the world radio communication conference; and improving, through telecommunications research and engineering, the understanding of radio-wave transmission and thereby improving spectrum utilization and the performance of radio communications systems.

The original FY 2000 performance goal, "Radio spectrum Assignments: Ensure spectrum provided the greatest benefit to all people," was reworded and strengthened to better define NTIA's strategic direction and reflect evolving FY 2002 departmental strategic goals and objectives.

Measure 3a: Number of new agency-requested spectrum assignment actions

	FY 1999	FY 2000	FY 2001	FY 2002
Target	N/A*	80,000	91,000	91,000
Actual	80,181	90,615		
Met / Not Met		Met		

* See explanation of measure

Data Validation and Verification:

Data source: Government Master File (GMF) of frequency assignments

Frequency: Monthly updates

Data storage: GMF is stored on a mission critical system and is issued monthly to Federal agencies on CD

Verification: GMF has built-in checks and receives extensive program staff review

Explanation of Measure

The FY 2000 target was met. The targets and actuals for this measure have been changed with the FY 1999 APPR to reflect new frequency assignment actions in each year—a more meaningful measure of activity than total numbers of frequency assignments as in previous plans.

FY 2000 Program Evaluation for NTIA Performance Goal 3: Ensure allocation of radio spectrum—a scarce resource essential to all communications—provides the greatest benefit to all people

NTIA continued to maintain and enhance the automated Federal spectrum management system under a program begun in 1993. Included in the program is a capability for total electronic transfer of Federal spectrum management data and information to include a standard suite of software for use with a personal computer for the Federal agencies to technically select spectrum that is interference-free, submit applications for spectrum support, and validate that the spectrum requested is within the rules and regulations governing spectrum authorization. NTIA conducted 10 training classes from January-November 2000, attended by nearly 120 frequency management personnel from more than 15 Federal Government agencies. This training will enable frequency assignment personnel throughout the Federal Government to use the automated spectrum management system effectively. NTIA also initiated planning for a series of training sessions in 2001.

Discontinued Measures

None.

Summary Actions Related to Performance Goal 3

Action Plan

Strategies	Activities
<p>NTIA's spectrum frequency assignments are conducted through the Inter-department Radio Advisory Committee (IRAC), which meets to consider pending actions.</p>	<p>To fulfill the Federal Government's needs for radio frequency spectrum, NTIA's Office of Spectrum Management (OSM) maintains the Government Master File (GMF) of radio frequency assignments (439,829 frequency assignments as of the end of FY 2000). During the past year, there were 90,615 Federal agency requests for frequency assignment actions which included 21,483 new requests, 46,847 requests for modifications of existing assignments, 11,967 requests for deletion of existing assignments, and 10,691 requests for recoordination of previous submissions (revotes). The Spectrum Planning Subcommittee (SPS) of the IRAC reviewed and recommended spectrum certification of 76 systems.</p>

Cross-Cutting Activities

Intra-DOC

NTIA participates with the TA and NOAA within the Department of Commerce on the Interagency GPS Executive Board, which with DoD jointly manages the GPS satellite program as a national asset.

Other Government Agencies

NTIA works with the 23 other Federal agencies on the *Inter-department Radio Advisory Committee (IRAC)* to manage frequency assignment requests. Uses of shared frequency bands are coordinated with the *Federal Communications Commission*. Permissible uses of frequency bands are established by international bodies in which NTIA participates.

Government/Private-Sector

NTIA coordinates on spectrum management issues through advisory committees and special information-sharing initiatives. Information on these activities may be found at <http://www.ntia.doc.gov/osmhome/osmhome.html>

External Factors and Mitigation Strategies

The Congress from time to time has required some changes in Federal use of radio frequency spectrum, which can affect availability of frequencies to suit Federal needs. The speed of development and implementation of wireless technologies will affect the level and type of demand by Federal agencies for certain frequencies.

**Performance Goal 4:
Promote the availability, and support new sources, of advanced telecommunications and information services**

Corresponding DOC Strategic Goal and Objective

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness

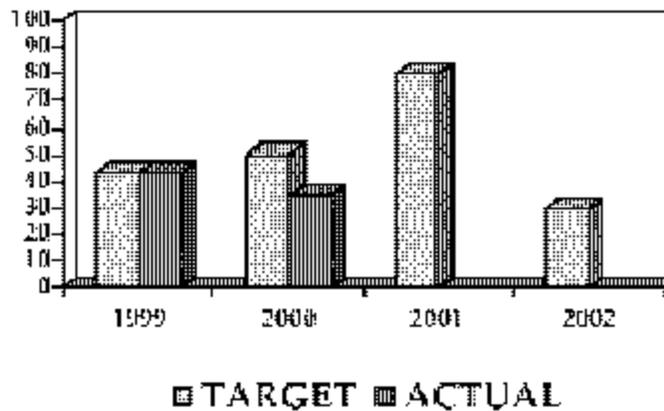
Objective 2.3: Provide the infrastructure for a digital economy and a digital government

Rationale for Performance Goal

NTIA’s Technology Opportunities Program (TOP) aims to demonstrate advanced, innovative applications of telecommunications and information technology in the non-profit and public sectors. The program provides matching demonstration grants to State and local governments, health care providers, school districts, libraries, social service organizations, public safety services, and other non-profit entities to help them develop information infrastructures and services that are accessible to all citizens, in rural as well as urban areas.

The original FY 2000 performance goal, “Advance Telecommunications: Promote the availability and sources of advanced telecommunication and information services,” was reworded and strengthened to better define NTIA’s strategic direction and reflect FY 2002 departmental strategic goals and objectives.

Measure 4a: Number of models/grants available for non-profit or public-sector organizations



	FY 1999	FY 2000	FY 2001	FY 2002
Target	50	50	80	30
Actual	43	35		
Met / Not Met	Not Met	Not Met		

Data Validation and Verification:

Data source: NTIA's grant awards are made annually and information on all applicants and recipients is posted on the NTIA web site at <http://www.ntia.doc.gov>

Frequency: Annual

Data storage: Data is stored on servers located at NTIA headquarters in HCHB.

Verification: Data on grants awarded can be verified by the DOC Office of Financial Management

Explanation of Measure

The target was not met. Experience has shown that in order to accomplish their goals, grants must have sufficient resources, and that below certain dollar thresholds, various types of grants cannot be expected to succeed. Thus the idea of resource sufficiency has been built into decisions on how many grants can be supported within the funding provided by Congress in any given year. The FY 2000 target had been developed on the basis of a higher budget request, while the FY 2001 target reflects a higher number of grants as a result of a higher appropriation. The FY 2002 target was decreased to reflect a lower budget request.

FY 2000 Program Evaluation for NTIA Performance Goal 4: Promote the availability, and support new sources, of advanced telecommunications and information services

In April, 2000, NTIA released its *Evaluation Report: Technology Opportunities Program—1996 Projects*. This report is one of a series of evaluations conducted by Westat, a Rockville, Maryland, research and consulting firm. The report summarizes findings from a survey of 49 projects funded by TOP in 1996 that were completed and no longer receiving grant monies as of January 1, 1999. The purpose of the study was to assess the effects that the funded projects are having at the local and national levels. The Technology Opportunities Program requires all grant recipients to conduct evaluations of their projects. Evaluations based on project goals and objectives are expected to aid in self-monitoring that allows course corrections, assessment of short-term impacts, and development of indicators of long-range impact. Taken collectively, evaluations should provide practitioners in different programmatic areas with guidance in the development of new projects. Further, individual project evaluations provide TOP with information for program planning and design.

Discontinued Measures

None.

Summary Actions Related to Performance Goal 4

Action Plan

Strategies	Activities
<p>NTIA's expertise in broadband digital services and radio-based technologies, and knowledge of telecommunications and information markets, network innovations, and regulatory environment, enabled NTIA to initiate and manage a technologies opportunities grant program. This expertise will be applied in the determination of funding priorities and objectives and in the evaluation and promotion of successful grantees.</p>	<ul style="list-style-type: none"> • In 2000, 35 public and non-profit institutions, competitively selected from more than 650 applicants, were awarded \$13.9 million in Federal grants. Projects were selected on the basis of their ability to serve as models that can be replicated by similar organizations across the country. • Since the TOP program was initiated in 1994, NTIA has awarded nearly \$150 million in matching funds that has spurred \$370 million in total investments. • TOP continuously disseminates the results and insights learned from the projects it supports by providing technical assistance; creating publications, newsletters, and on-line resources; and hosting conferences.

Cross-Cutting Activities

NTIA works closely with the *Office of the Secretary of the Department of Commerce* and with the White House in determining funding priorities for each annual grant round.

Intra-DOC

NTIA works closely with the *Office of the Secretary of the Department of Commerce* in determining funding priorities for each annual grant round, to establish rules and procedures for the grant program, and to administer the program.

Other Government Agencies

NTIA works closely with the White House in determining funding priorities for each annual grant round.

Government / Private-Sector

None.

External Factors and Mitigation Strategies

The number of grants that can be awarded in each grant round is determined in large part by the amount of funds appropriated for the grant program.

Department Management

Mission Statement

The Department of Commerce promotes job creation and improved living standards for all Americans by creating an infrastructure that supports economic growth, technological competitiveness, and sustainable development.

The Department of Commerce's mission and three Strategic Goals – promoting economic growth, stimulating technological development, and supporting sustainable development—encompass the range of our Department's program activities. The Goals were discussed in the FY 2000-2005 Strategic Plan, which also presented our Management Integration Goal—the vehicle for ensuring that effective management systems would be established and would be equal to the task of providing effective oversight for these diverse program areas. This assurance demands that the Office of the Secretary, in performing its oversight and administrative tasks—through a set of activities termed Departmental Management (DM)—develops and manages its activities according to performance goals and measures that can be used by our internal and external customers to determine our success.

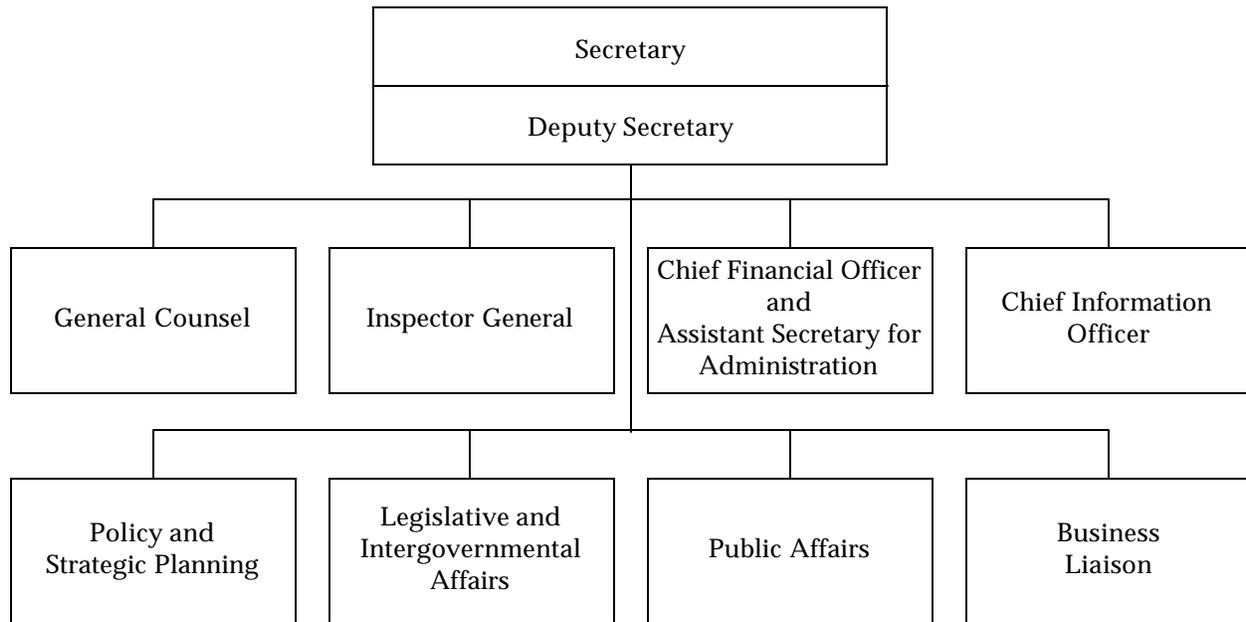
This section of the APPR/APP presents the performance goals and measures for that range of tasks, including the activities we conduct in response to government-wide management challenges. The issues discussed here are often different from the management challenges discussed in the bureau-specific sections of this document, because they are broader in scope than many of the bureau-specific management challenges. DM issues often go well beyond the responsibility of the Department of Commerce alone to address, and/or they may require far greater resources to correct. For example, the General Accounting Office (GAO) publishes a list of High Risk Areas, which are topics of unusual threat to program effectiveness in an agency. The Department of Commerce is proud to say that none of our programs are on GAO's current High Risk Areas list. However, some issues on GAO's list affect all Federal agencies, and we must address them here in this APPR/APP, within the scope of our resources.

Establishing Departmental Management performance goals and measures involves special challenges. Some DM activities are essential to fulfilling statutory requirements or government-wide directives effectively, such as having sound financial management practices and ensuring progressive acquisition practices. Other activities are so integral to the day-to-day functioning of an organization that they appear “invisible” to the public, but they nevertheless consume significant resources, such as reducing energy consumption. Still others, such as managing human capital effectively and ensuring a steady supply of talented new staff, are at the top of every program manager's list of priority responsibilities.

One of GPRA's challenges for all agencies' DM programs is to find ways of measuring the effectiveness of the oversight and policy-setting activities that are important parts of their role. This challenge confronts the Department of Commerce and every other Federal agency, especially at the start of a new Administration, when it is formulating new policies. We are addressing this challenge in two ways. First, we are presenting an array of performance measures in this APPR/APP, which is larger than any we have previously used for the DM function, to illustrate the range of our functions. Second, in the coming year, Commerce plans to work closely

with other Federal agencies to both enunciate policy functions and develop approaches to measuring their effectiveness. That will be our goal as we move through the process of managing our FY 2001 resources, implementing our FY 2002 budget, and preparing for the FY 2003 GPRA planning process.

Organizational Structure



Priorities

In the Department of Commerce – the cabinet agency with historically the smallest budget but with world-wide responsibilities—the offices comprising the Department Management function are aware of the need to enunciate clear policies and to provide effective oversight over the Department’s programs, and to manage the Department’s affairs in an efficient and business-like manner. We must ensure that we provide effective balance to this dual role – ensuring that our programs are effective and that Commerce works effectively as an organization.

Management Challenges

The Department of Commerce faces a number of key challenges, and the full range of these challenges are subject to oversight under the Departmental Management function. The offices comprising the Department Management function seek to provide leadership in addressing these major challenges, and they cooperate with other Commerce components, such as the Office of Inspector General (OIG) and our program bureaus, in doing so.

In the OIG’s September 2000 Semi-Annual Report to the Congress, and again in the OIG’s December 2000 report to the Senate Government Affairs Committee, we identified a series of key challenges, many of which are cited here. We view this group of challenges to be among the most significant, because of their importance to our mission or to the nation’s well being, their complexity, their cost, or the urgency of their need for management improvements:

1. Increase the Accuracy and Control the Cost of the 2000 Decennial Census

The Decennial Census is an enormous and complex undertaking, one of the most difficult that the Federal Government has to undertake. The accuracy of decennial census data is critical because it is the basis for apportioning seats in the House of Representatives and is used to support a host of other activities, including Federal and State redistricting and the distribution of billions of dollars of Federal and State funds. For these reasons, oversight of the decennial census has remained one of our top priorities. Since 1997 the OIG has issued nearly 30 audits and inspection reports on various aspects of the bureau's decennial efforts and has made numerous recommendations aimed at helping to improve the accuracy of the decennial and control its cost, some of which also have implications for improving other bureau operations. The OIG also plans to examine the body of evaluative work produced on the 2000 decennial and identify and report on "lessons learned" that may be helpful to the Census Bureau in planning for the 2010 decennial.

2. Successfully Implement a Department-Wide Financial Management System

For more than 10 years, the lack of a single, integrated financial system has been reported as a material internal control weakness in the Secretary's annual reports to the President under the Federal Managers Financial Integrity Act. In response, Commerce began planning for a new Department-wide financial system in 1992, but implementation of the Commerce Administrative Management System (CAMS) progressed slowly. In the past two years, however, the Department has streamlined requirements and made considerable progress toward full implementation, particularly at the Census Bureau, EDA, NIST, NOAA, and the Office of the Secretary. By 2004, plans call for all 14 reporting entities to employ compliant financial management systems integrated with a Commerce-wide financial database to produce the consolidated financial statements.

3. Strengthen Department-wide Information Security

A large number of interconnected, widely distributed computer systems support vital Commerce operations and provide essential services to the public. Effective computer security measures are critical for protecting the secrecy and privacy of information, the integrity of computer systems and their networks, and the availability of services to users. The OIG recently completed a review of the Department's efforts to protect its information systems under the Presidentially-directed critical infrastructure protection program. The OIG also reviewed the security of Commerce financial management systems and their related networks as part of our audits of the Department's FY 1999 financial statements. These reviews found that information security needs additional management attention and improvements. We plan to continue and expand our reviews in fulfilling our oversight responsibilities under the Government Information Security Reform Act.

4. Successfully Implement USPTO's Transition to a Performance-Based Organization

The American Inventors Protection Act of 1999 established the U.S. Patent and Trademark Office as a Performance Based Organization (PBO) and provided increased authority and control of its budget, expenditures, personnel processes, and procurement operations. USPTO must formulate policies governing these processes and develop a performance-based process with standards for evaluating cost-effectiveness, while meeting its performance goals under GPRA. USPTO management and others recognize the significant challenges associated with USPTO's transition to a PBO. First, the agency has experienced a substantial increase in patent and trademark filings and appeals, leading to the hiring of hundreds of examiners and administrative judges. USPTO's new status should allow it to more efficiently manage its human capital and other resources and to rapidly change filing and appeal processes as needed. Second, USPTO is engaged in a massive real estate venture, the construction of a new five-building headquarters complex in northern Virginia, to be completed in 2004. This project is expected to be one of the largest real estate ventures that the Federal Government will undertake in the next decade. Third, USPTO, which has experienced problems in applying information technology to the examination process, will see the demands on automated systems intensify as a result of the Act's increased focus on operational efficiency and its provisions requiring information technology solutions. Successful transition to a PBO will enable USPTO to better address these challenges.

5. Increase the Effectiveness of Fishery Management

Ensuring healthy stocks of fish and other marine animals in the coastal waters beyond each State's jurisdiction is a Federal responsibility led by NOAA's National Marine Fisheries Service (NMFS) and eight regional fishery management councils under the Magnuson-Stevens Fishery Conservation and Management Act of 1976, as amended. NMFS and the councils track the condition of fish and marine species, determine the levels of catch that will provide the greatest benefit to the Nation, and measure the economic impacts of fishery regulations and policies.

The General Accounting Office (GAO) recently concluded that NMFS appears to be using the best available science to determine the condition of these species, appropriately considers the economic impacts of conservation and management measures on fishing communities, and has technically met the Act's requirements by identifying fish habitats and developing a consultative process for addressing potential adverse impacts to those habitats. However, GAO recommended strengthening NMFS's data collection efforts, improving economic analysis and communications between the government and the fishing industry, and identifying the costs of complying with the Act's habitat provisions

6. Continue to Improve the Department's Strategic Planning and Performance Measurement in Accordance with GPRA

Despite the inherent difficulties encountered in determining how to best plan and measure its performance in accordance with the Government Performance and Results Act of 1993 (GPRA), the Department has continued to make progress in meeting this challenge. The Department submitted its third Annual Performance Plan, for FY 2001, in February 2000 and its first Annual Program Performance Report, for FY 1999, in March 2000. The submission of the Department's first Annual Program Performance Report brought to a close the first full cycle of GPRA activity that began in 1996. Also, the Department submitted its initial Accountability Report, which reports both financial and performance results, for FY 1999, on March 1, 2000. Our second Strategic Plan, covering FY 2000-2005, has also been submitted.

While the Congress, GAO, and the OIG all agreed that the Department's FY 2000 Annual Performance Plan was significantly better than its FY 1999 plan, it was also recognized that there was room for additional improvement. Of particular concern was the need for the Department to ensure that the data to be used in measuring performance is accurate, complete, and reliable. The FY 2001 plan and FY 1999 performance report reflected the Department's continued efforts to improve strategic planning. Areas where additional improvements have been made in this FY 2000 APPR/ FY 2000 APP include continued efforts to ensure that reported data is credible, modifying the system for scoring and communicating performance results, and more fully discussing performance targets not met and efforts to improve performance. While the Department has been responsive to past criticisms of the documents it has produced to meet GPRA requirements, continued management attention is essential.

7. Strengthen Financial Management Controls in Order to Maintain a "Clean" Opinion on the Department's Consolidated Financial Statements

The Department received its first-ever unqualified (clean) opinion on its FY 1999 consolidated financial statements despite many obstacles, including the absence of a single, integrated financial management system and internal control deficiencies. Maintaining clean audit opinions on the consolidated statements, as well as all reporting entity statements, is essential and, as such, remains a major challenge.

Although substantial improvements have been made in financial management, the Department needs to create a financial management environment that provides timely, accurate financial and performance information and complies with Federal laws and regulations. The Department has undertaken three major financial management initiatives: (1) improving financial accountability by strengthening the integrity of financial operations and providing guidance to reporting entities; (2) improving financial management systems through the CAMS

development project; and (3) developing human resources by establishing financial leadership positions at all bureaus and developing a professional education program.

8. Successfully Implement Acquisition Reform Initiatives

The Department spends more than \$1 billion each year, about one-quarter of its annual appropriation, through contracts. Several laws enacted during the 1990s sought to streamline the way in which the government purchases goods and services by promoting efficiency and uniformity in the Federal acquisition process and by relying on goods available in the competitive marketplace. Concerns about the effect of these new laws on the Federal procurement process have been raised by various government oversight agencies, including GAO and the Office of Federal Procurement Policy. The OIG has identified problems at Commerce with improper use of task order contracts, inadequate documentation of market surveys insufficient planning for contract administration and monitoring, and inadequate administration of the purchase card program. Given these concerns, the OIG believes that the Department's implementation of acquisition reform initiatives warrants extra scrutiny.

9. De-layer management levels to streamline organizations

Consistent with OMB Memorandum 01-11, dated February 14, 2001, senior leaders within the Department of Commerce have focused on de-layering their organizations. In essence, they have restructured their organizations to reduce the number of supervisory positions, thereby realizing an improved supervisory ratio. Within the Department, the number of supervisory positions has decreased from 5,325 in January 1994 (comprising 15.1% of the workforce) to 5,004 in January 2001 (comprising 12% of the workforce). With the implementation of the new U.S. Office of Personnel Management's General Schedule Leader Grade Evaluation Guide in January 1999, many first-line supervisory positions over two-grade interval occupations were restructured according to the guidelines of the new classification standard and reclassified as team leader positions. Within the DOC, the number of team leader positions rose from 187 in 1994 to 565 in 2001. As a result of reducing the number of its supervisory positions, the DOC's supervisory ratio improved from 1:6.2 in 1994 to 1:9 in 2001. Individual attention continues to be focused on those bureaus with very small supervisory ratios, to determine if office-restructuring efforts could eliminate unnecessary managerial levels and result in establishing the most-efficient organizations.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1: Acquire and Manage the Fiscal and Related Resources Necessary to Support Program Goals						
Measures	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Maintain 100 percent funds covered by clean audits	100%	100%	100%	100%	100%	100%
Meet milestones in implementing the Department-wide financial system (cumulative)	Implement systems in 1 bureau	Systems implemented in 1 bureau	Implement systems in 5 bureaus	Systems implemented in 5 bureaus	Implement systems in 9 bureaus	Implement systems in 11 bureaus
Reduce energy consumption per square foot	24%	33%	25%	34%	26%	27%
Protect information and staff at field sites from risk/disaster	12	12	10	10	10	10
Increase grants and cooperative agreements to Minority Serving Institutions	New	\$13.6M	\$27.4M	\$33.2M	\$46.0M	\$46.0M
Increase transactions using credit card purchasing	N/A	288,268 transactions	75% of actions below \$25K	88% of actions below \$25K	75% of actions below \$25K	75% of actions below \$25K
Increase percent of total obligations awarded as contracts to small, minority-owned, and women-owned firms	SB: 35.0% MB: 15.0% WO: 5.0%	SB: 42.0% MB: 14.1% WO: 5.2%	SB: 40% MB: 18% WO: 5%	SB: 34.3% MB: 20.4% WO: 6.1%	SB: 40% MB: 18% WO: 5%	SB: 40% MB: 18% WO: 5%
Expand A-76 competitions and more accurate FAIR Act inventories	Commercial inventory due by 6/30/99	Inventory submitted on 7/9/99	Complete commercial inventory by 6/30/00	Inventory submitted on 6/30/00	Complete commercial inventory by 6/30/01	Expand inventory to include all FTEs, complete conversion competitions on 5% of FTEs
Increase portion of contract funds obligated for performance-based contracting	New	New	New	New	10%	20%
Expand the application of on-line procurement	New	New	New	New	50%	100%

Performance Goal 2: Acquire, Manage and Develop a Diverse, Skilled and Flexible Staff, Using Information Technology as an Essential Tool						
Measures	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Develop process to identify current/ projected mission-related workforce needs	Monitor vacancies	Vacancies monitored	Develop Workforce Analysis Plan, research automated tools	Plan developed, tools identified	Automated tools used by 3 pilot test offices	Automated tools implemented in 3 bureaus
Assess human capital/value of HR services	Review existing balanced scorecard systems	Existing systems reviewed	Develop balanced scorecard methodology	Methodology developed, HR Summit held	Complete 2 balanced scorecard systems	Achieve 50% of balanced scorecard measures
Increase the efficiency and effectiveness of hiring systems	Create COOL Phase I	COOL Phase I created	Create COOL Phase II, identify average fill time	COOL Phase II created, fill time identified at 44 days	Create COOL Phase III, reduce fill time to 34 days	Create COOL Phase IV, reduce fill time to 29 days
Increase recruitment opportunities/ improve diversity	Determine greatest diversity voids	Greatest diversity voids determined; workforce has 3% staff of Hispanic origin	Finalize MOUs with 5 HSLs, market student resumes	Finalized MOUs with 9 HSLs, marketed 121 resumes with DOC managers	Develop/ implement resume tracking system, sponsor 9 recruitment activities, market 140 resumes	Refine tracking system, sponsor 15 recruitment activities, market 200 resumes
Increase the alignment of performance management with mission accomplishment/ overall recognition	Enter performance ratings/ awards into NFC database with 95% accuracy	Information entered with 95% accuracy	Develop web-based combined performance management and awards handbook	Combined performance management and awards handbook completed	Design tracking system for aligning ratings with mission accomplishment/overall recognition	Achieve 75% linkage in pilot test between individual ratings and high-performing organizations
Implement a telecommuting program	Make managers aware of telecommuting flexibilities	Managers made aware	Provide advice to managers in establishing pilot programs	3 pilot programs established	25% of eligible workforce is involved in program	50% of eligible workforce is involved in program

Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals						
Measures	FY 1999 Target	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Increase the goods and services provided via electronic means	New	New	15	15	25	43
Increase IT Planning and Investment Review program maturity (on a score of 0-5)	New	New	New	1	2	50% at 3 or above
Increase IT architecture program maturity (on a score of 0-5)	New	New	New	1	2	50% at 3 or above
Increase IT security program maturity (on a score of 0-5)	New	New	New	<1	50% at 1 or above	75% at 2 or above

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)
Full-Time Equivalent (FTE)

Performance Goal	FY 1999 Actual	FY 2000 Request	FY 2000 Actual	FY 2001 Request	FY 2001 Enacted	FY 2002 Request
Performance Goal 1:						
Total Funding	26.0	29.0	29.0	28.0	33.0	30.0
IT Funding*	0	0	0	0	0	0
FTE	161	203	149	168	175	175
Performance Goal 2:						
Funding	2.0	2.0	2.0	2.0	2.0	2.0
IT Funding*	0	0	0	0	0	0
FTE	22	24	17	24	24	24
Performance Goal 2:						
Funding	2.0	2.0	2.0	2.0	6.0	6.0
IT Funding*	2.0	2.0	2.0	2.0	6.0	6.0
FTE	24	21	19	21	21	21
Grand Total						
Total Funding	31.0	34.0	33.0	34.0	41.0	38.0
Reimbursable**	1.0	1.0	2.0	2.0	9.0	5.0
IT Funding*	2.0	2.0	2.0	2.0	2.0	2.0
FTE	207	248	185	213	220	220

*IT funding included in Total Funding.

**Reimbursable funding included in Total Funding

***Funds for the Working Capital Fund and the Franchise Fund are appropriated to bureaus, and they do not appear in these DM totals.

FY 2002 Performance Goals

Performance Goal 1: Acquire and Manage the Fiscal and Related Resources Necessary to Support Program Goals

Corresponding DOC Strategic Goal and Objective

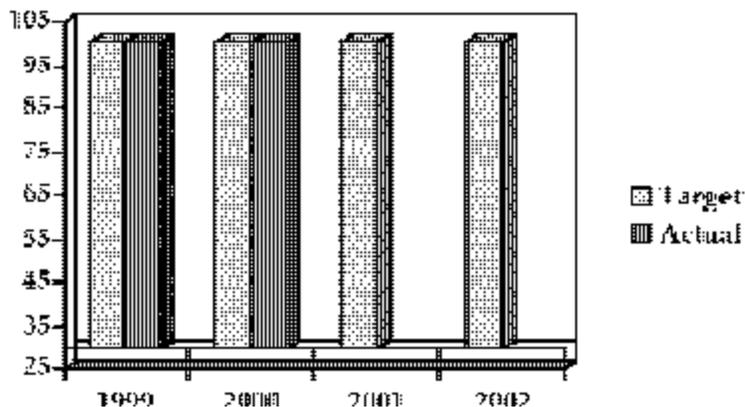
Management Integration Goal 1: Strengthen Management at All Levels

Objective: Promote Efficient and Effective Resources Management

Rationale for Performance Goal

The Department of Commerce must have the capacity to do business as successfully as possible with the public and with its partner agencies, both as a \$5 billion, worldwide enterprise and as an integrated set of individual programs. This requires us to establish and maintain the business practices of any successful organization, by using our resources wisely and implementing the laws that affect us. As a result, the activities covered by this Performance Goal are highly diverse, because the Goal must include the full range of operational tasks associated with this range of responsibilities.

Measure 1a: Maintain 100 percent funds covered by clean audits



	FY 1999	FY 2000	FY 2001	FY 2002
Target	100%	100%	100%	100%
Actual	100%	100%		
Met/Not Met	Met	Met		

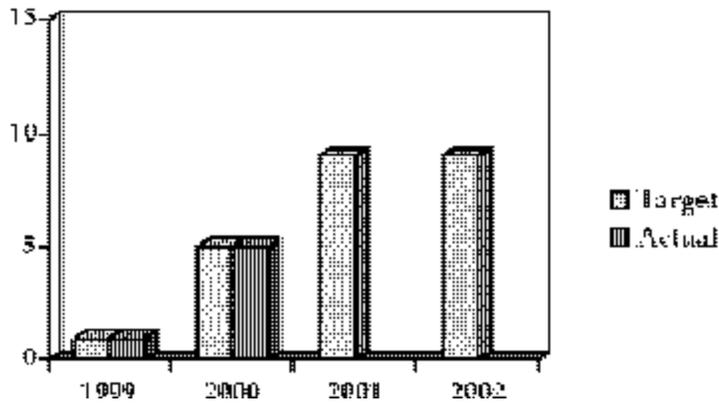
Data Validation and Verification:

Data source: Consolidated Financial Statements and OIG audits
Frequency: Annual
Data storage: Bureau or Departmental financial systems
Verification: OIG audits
Data Limitations: None
Actions to be taken: Continue to maintain clean audits

Explanation of Measure

Target met. The Department has continued to make improving its financial management a top priority by strengthening the integrity of financial operations to ensure the accuracy of financial data and receiving clean (or unqualified) opinions on our Consolidated Financial Statements. Key laws such as the CFO Act, GMRA, FFMIA, and GPRA established new standards for Federal agency financial operations. Timely and reliable financial information is necessary to allow stakeholders and decision-makers to have confidence in the way Commerce manages its resources.

Measure 1b: Meet milestones in implementing the Department-wide financial system (cumulative)



	FY 1999	FY 2000	FY 2001	FY 2002
Target	Implement systems in 1 bureau	Implement systems in 5 bureaus	Implement systems in 9 bureaus	Implement systems in 11 bureaus
Actual	Systems implemented in 1 bureau	Systems implemented in 5 bureaus		
Met/Not Met	Met	Met		

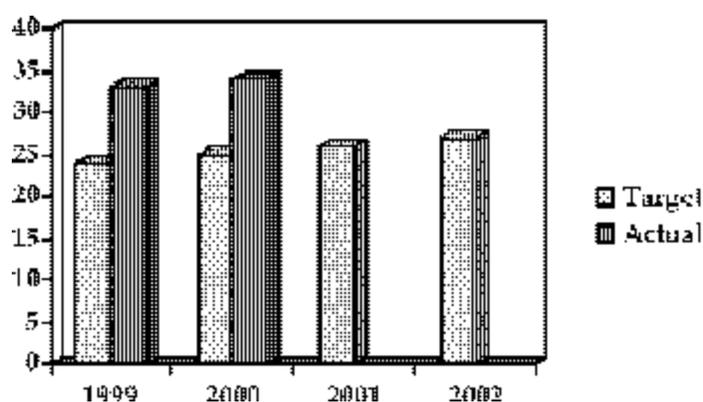
Data Validation and Verification:

Data source: Bureau reports
Frequency: Ongoing monitoring and quarterly reporting
Data storage: N/A
Verification: OIG audits
Data Limitations: N/A
Actions to be taken: Continuing aggressive implementation schedule

Explanation of Measure

Target met. This measure tracks the Department’s long-term progress in implementing the requirements of the CFO Act, the Joint Financial Management Improvement Program (JFMIP), and other standards for a central agency integrated financial system. A modern, Department-wide financial management system is urgently needed to enable us to improve dramatically our overall financial management performance. Through the Commerce Administrative Management System (CAMS) project, we will develop and implement a set of standardized systems (including a Core Financial System, systems for small purchases, bankcard systems, and time reporting/labor cost distribution) that will support the common financial activities of the Department and its bureaus.

Measure 1c: Reduce energy consumption per square foot



	FY 1999	FY 2000	FY 2001	FY 2002
Target	24%	25%	26%	27%
Actual	33%	34%		
Met/Not Met	Met	Met		

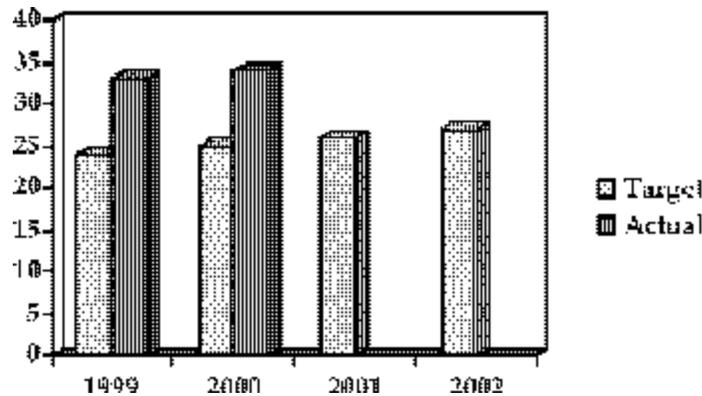
Data Validation and Verification:

Data source: Bureau reports
Frequency: Annual
Data storage: DM office tracking system
Verification: Reasonable use standard
Data Limitations: N/A
Actions to be taken: Improve recording and reporting methodology

Explanation of Measure

Target met. This measure is established for all Federal agencies in the National Energy Conservation Policy Act, the Energy Policy Act, and Executive Order 13123, Greening the Government Through Efficient Energy Management. These mandates include reducing energy consumption by 30% by 2005 and 35% by 2010. Interim goals of FY 2001 and FY 2002 are used to show progress in meeting those eventual targets.

Measure 1d: Protect information and staff at field sites from risk/disaster



	FY 1999	FY 2000	FY 2001	FY 2002
Target	12	10	10	10
Actual	12	10		
Met/Not Met	Met	Met		

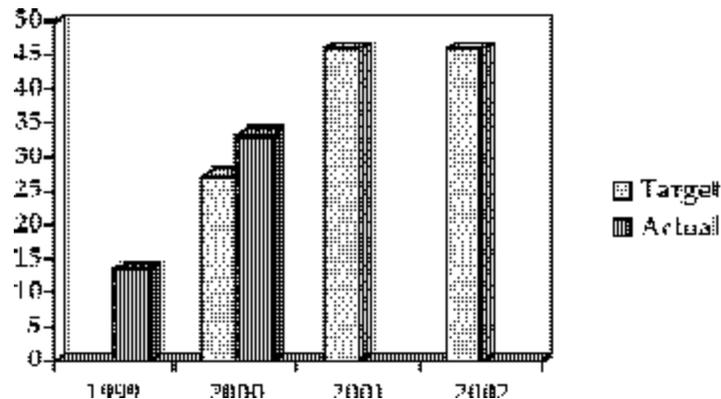
Data Validation and Verification:

Data source: Bureau reports
Frequency: Annual
Data storage: DM office tracking system
Verification: Reasonable use standard
Data Limitations: N/A
Actions to be taken: Improve recording and reporting methodology

Explanation of Measure

Target met. The Department of Commerce must ensure security for Department field site visitors, staff, facilities, resources, and information, and this is done in different ways each year. In FY 1999, we completed physical security reviews for Regional Census Centers. This reduced security-related risks and incidents, and helped increase employee satisfaction and support higher productivity. In FY 2000, all security containers at 10 DOC field facilities were inspected, and were found to be in compliance. In FY 2001 and FY 2002, the measure is to ensure protection of critical, classified, and sensitive Commerce computer systems and information from compromise or exploitation by adversaries. Computer systems will be inspected, accredited, and certified.

Measure 1e: Increase grants and cooperative agreements to Minority Serving Institutions (MSIs)



	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	\$27.4M	\$46.0M	\$46.0M
Actual	\$13.6M	\$33.2M		
Met/Not Met	N/A	Met		

Data Validation and Verification:

Data source: Federal Assistance Award Data System

Frequency: Annual

Data storage: Office of Executive Assistance Management

Verification: Office of Executive Assistance Management provides year-end summaries to bureaus, bureaus correct and revise as needed

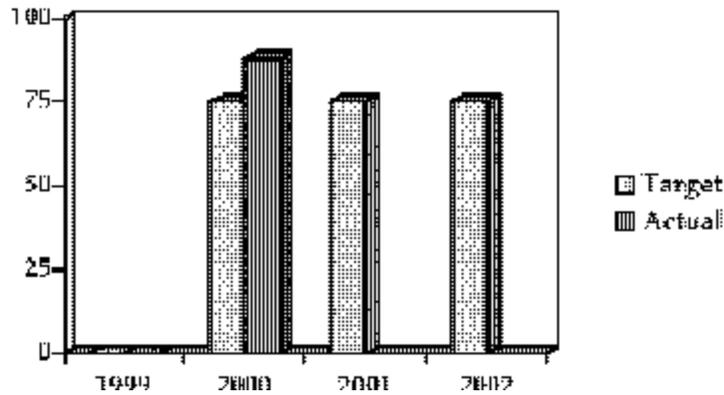
Data Limitations: Data system contains grant information but not accounting information, or information about sub-awards.

Actions to be taken: Continue outreach efforts.

Explanation of Measure

Target met. The new MSI Initiative for financial assistance is aimed at increasing opportunities for funding to MSI organizations, and provides an opportunity for MSIs to build relationships with DOC program managers. We will continue to encourage meaningful participation of MSIs in our financial assistance programs. During FY 2001, we will evaluate our FY 2002 target to ensure that it remains appropriate, on the basis of previous activity.

Measure 1f: Increase transactions using of credit card purchasing



	FY 1999	FY 2000	FY 2001	FY 2002
Target	N/A	75% of actions below \$25K	75% of actions below \$25K	75% of actions below \$25K
Actual	288,268 transactions	88% of actions below \$25K		
Met/Not Met	N/A	Met		

Data Validation and Verification:

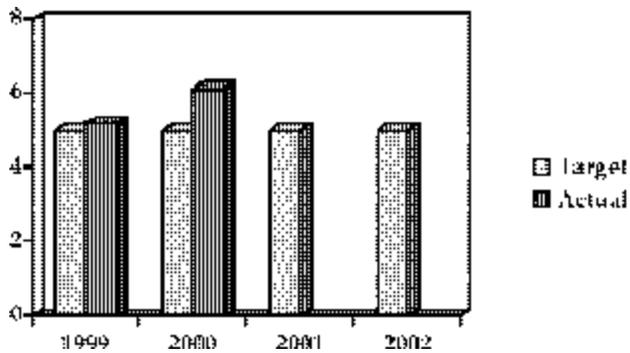
Data source: Commerce bank card center
Frequency: Annual
Data storage: Commerce bank card center
Verification: Procurement Executive Council process
Data Limitations: None
Actions to be taken: Continue to gather and review data

Explanation of Measure

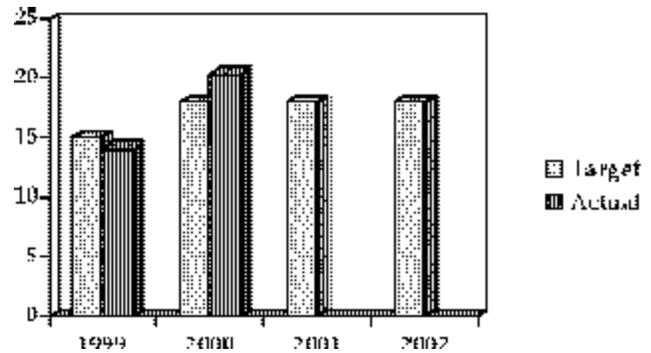
Target met. Starting with FY 2000, the Procurement Executive Council adopted a new Government-wide Acquisition Performance Measurement Program, under which agencies first began tracking their small purchase credit card usage against the government-wide target of 75%. Measures were pilot tested in FY 2000 and results were collected in December 2000. Commerce exceeds the government-wide target. Full implementation began with FY 2001 and results will be collected in December 2001.

Measure 1g: Increase percent of total obligations awarded as contracts to small, minority-owned, and women-owned firms

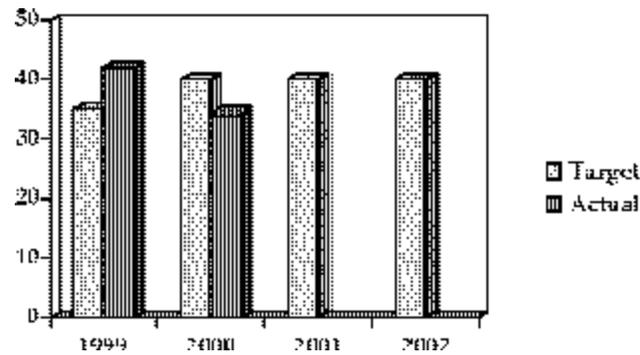
Women-Owned Business:



Minority Business:



Small Business:



	FY 1999	FY 2000	FY 2001	FY 2002
Target	SB: 35% MB: 15% WO: 5%	SB: 40% MB: 18% WO: 5%	SB: 40% MB: 18% WO: 5%	SB: 40% MB: 18% WO: 5%
Actual	SB: 42.0% MB: 14.1% WO: 5.2%	SB: 34.3% MB: 20.4% WO: 6.1%		
Met/Not Met	SB, WO Met MB Not Met	MB, WO Met SB Not Met		

Data Validation and Verification:

Data source: Small Business Administration, and DOC's Office of Small and Disadvantaged Business Utilization
Frequency: Annual
Data storage: SBA and OSDBU
Verification: SBA and OSDBU
Data Limitations: None
Actions to be taken: Continue outreach efforts

Explanation of Measure

The targets for Minority Business (MB) and Woman Owned (WO) Firms were met, but the target for Small Business (SB) was not met. This measure was selected to ensure that the Department of Commerce does business as successfully as possible with the public and with its partner agencies each year by increasing the proportion of small, businesses owned by minorities, women, and people with disabilities in the Department's acquisitions. In FY 2000, the proportion of funds spent on these types of procurement opportunities was reduced because there were more large procurements in several major programs, e.g., the Decennial Census and the Advanced Measurement Laboratory. Consequently, there were greater opportunities for small businesses in lower-revenue producing subcontracting, instead of prime contracting opportunities. The small business percentage will increase to its traditional level as these major programs near completion.

Measure 1h: Expand A-76 competition and more accurate FAIR Act inventories

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Commercial inventory due by 6/30/99	Commercial inventory due by 6/30/00	Commercial inventory due by 6/30/01	Expand inventory to include all FTEs, complete conversion competitions on 5% of FTEs
Actual	Inventory submitted on 7/9/99	Inventory submitted on 6/30/00		
Met/Not Met	Not met	Met		

Data Validation and Verification:

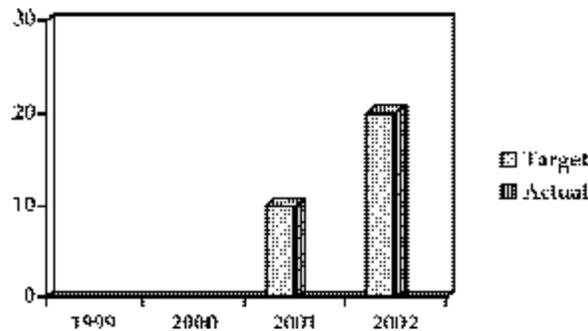
Data source: Inventory transmittal letters
Frequency: Annual
Data storage: Office chronology files
Verification: Executive Secretariat
Data Limitations: None
Actions to be taken: Measure trends over time

Explanation of Measure

Target met. The Federal Activities Inventory Reform (FAIR) Act requires that the Federal Government not compete with citizens and that it will rely on commercial sources to provide the products and services needed for the government to function. The Act requires that agencies provide OMB with a timely inventory of their activities that can be provided by commercial sources. After missing the initial deadline by 1 week in 1999, the Department has developed an annual reporting process that is timely and complete. In FY 2002, DOC will

complete public-private or direct conversion competitions on not less than 5 percent of the FTEs reported on our FAIR inventory. These competitions may include updating cost comparisons for activities previously studied and retained in-house, or cost comparisons of previously unstudied activities. Also in FY 2002, we will evaluate each activity and accurately designate each FTE as “inherently governmental” or “commercial”.

Measure 1i: Increase portion of contract funds obligated for performance-based contracting



	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	10%	20%
Actual	New	New		
Met/Not Met				

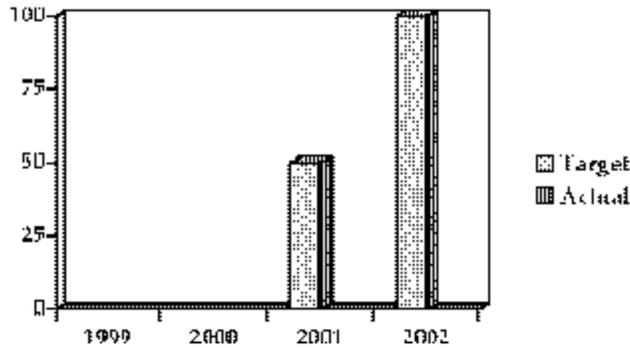
Data Validation and Verification:

Data source: Commerce Procurement Data System (CPDS)
Frequency: Annual
Data storage: CPDS
Verification: Supervisory audit
Data Limitations: N/A

Explanation of Measure

Performance-based contracting is a method of procurement where the Federal Government defines the results it is seeking, rather than the process by which those results are to be attained. It also includes the standards against which contractor performance will be measured, and positive/negative incentives. In preparation for this change in procurement approaches, the Office of Acquisition Management is training bureau and Departmental staff to include performance-based considerations in the planning stage of acquisitions, issuing guidance to bureau offices, and establishing operational and performance goals for implementing this new approach. The FY 2002 target represents an annual increment toward the goal of 50% of dollar obligations for contracts by FY 2005.

Measure 1j: Expand the application of on-line procurement



	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	50%	100%
Actual	New	New		
Met/Not Met				

Data Validation and Verification:

Data source: Commerce Business Daily Net (CBDNET)
Frequency: Annual
Data storage: CPDNET
Verification: Contracting Office Certification
Data Limitations: N/A

Explanation of Measure

Several Commerce procurement offices currently use FedBizOpps to post their commercial contract synopses. By October 1, 2001, all Commerce offices will be able to post all of their synopses and the combined synopsis/solicitation for commercial items on the government-wide point-of-entry website. Not all solicitations are currently posted on the Internet. Instead, paper copies or copies on electronic media (e.g., CDs) are often mailed out to interested vendors. Solicitations may include drawings, specifications and other attachments which may not be in electronic form or may be too costly to convert.

In FY 2001, the Office of Acquisition Management will issue policy guidance to the bureau procurement offices to meet the above performance targets. The continued deployment of Commerce Standard Acquisition and Reporting System (C-STARS) provides the capability for posting solicitations on-line, and ultimately to FedBizOpps. For FY 2002, agencies will post (a) all synopses for acquisitions valued at over \$25,000 for which widespread notice is required and (b) all associated solicitations unless covered by an exemption in the Federal Acquisition Regulation on the government-wide point-of-entry website (www.FedBizOpps.gov). The President's commitment is to shift procurement to the Internet at the same rate as the private sector and to increase competition and accessibility.

FY 2000 Program Evaluation for DM Performance Goal 1: Acquire and Manage the Fiscal and Related Resources Necessary to Support Program Goals

The Department of Commerce uses reviews and reports of the Office of Inspector General, the Office of Management and Budget, the General Accounting Office and other Congressional organizations, government-wide task force studies which produce (or rely on) objective review criteria, and other sources in conducting evaluations of its Goal 1 activities. In addition, many of the laws cited in this section have specific requirements which are used for comparison and corrective-action planning purposes.

Summary Actions Related to Performance Goal 1

Action Plan

Strategies	Activities
Devote priority attention and resources to addressing statutory requirements for resource management	<ul style="list-style-type: none"> • Develop processes and systems for managing financial resources, through automated systems and other means • Develop standards for reducing energy consumption • Conduct security and safety inspections • Develop and implement methods of supporting Minority Serving Institutions (MSIs), as well as assisting small, minority, and women-owned firms • Implement standards for credit card purchasing • Develop inventories of activities which can be commercialized • Develop ways of increasing performance-based contracting

Cross-Cutting Activities

Intra-DOC

Under the Departmental Management function, the Office of the Secretary works with all bureaus on a regular basis, across the full range of policy development and program management topics.

Other Government Agencies

Under the Departmental Management function, the Office of the Secretary works with virtually all Federal agencies on a regular basis, across the full range of policy development and program management topics.

Government / Private Sector

Under the Departmental Management function, the Office of the Secretary works with all segments of the private sector bureaus on a regular basis, across the full range of policy development and program management topics.

External Factors and Mitigation Strategies

- Customers of the Department are diverse and often have a broad array of needs and expectations that cannot be adequately addressed by a universal approach.
- Commerce programs face continually increasing demands for greater productivity and more services, against a backdrop of limited Federal funds.
- Commerce programs must be managed from within an aging physical plant (including our headquarters building and other facilities around the nation), which requires modernization in order to meet our technical and scientific demands as well as to ensure the safety of our staff, information, and customers.

Performance Goal 2: Acquire, Manage, and Develop a Diverse, Skilled, and Flexible Staff, Using Information Technology as an Essential tool.

Corresponding DOC Strategic Goal and Objective

Management Integration Goal 1: Strengthen Management at All Levels

Objective: Promote Efficient and Effective Resources Management

Rationale for Performance Goal

It has been widely reported that in the near future – certainly, within the period covered by the FY 2000-2005 Strategic Plans— the Federal Government will face a very real and far-reaching change in the composition of its workforce, as members of the post-World War II baby boomer generation begin to retire. Fully 67 percent of the Commerce Department’s Senior Executive Service staff and 26 percent of its general workforce will be eligible for retirement during this period. This will clearly produce an unprecedented drain on our institutional memory, on our capacity to provide mature leadership to the next generation of Department employees, and thus on our capacity to serve the public. We must also ensure that the Department continues to reflect the diversity of the American population.

Measure 2a: Develop process to identify current/projected mission-related workforce needs

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Monitor vacancies	Develop Workforce Analysis Plan, research automated tools	Automated tools used by 3 pilot test offices	Automated tools implemented in 3 bureaus
Actual	Vacancies monitored	Plan developed, tools identified		
Met/Not Met	Met	Met		

Data Validation and Verification:

Data source: National Finance Center/DOC Human Resources Data System

Frequency: Semi-Annual

Data storage: OHRM payroll/personnel system

Verification: Workforce needs assessment/turnover data

Data Limitations: HRDS does not provide historical data

Actions to be taken: Measure trends over time

Explanation of Measure

Target met. Previous downsizing efforts, hiring freezes, and the curtailed investment in human capital have resulted in a workforce which is not “appropriately constituted to meet the current and emerging needs of government and the nation’s citizens”, according to government-wide GAO report, entitled High-Risk Series: An Update, January 2001. President Bush recently identified the issue of “delaying management levels to streamline organizations” as one of his Government-wide reforms. This overall streamlining within Commerce can best be accomplished through a planning effort, which examines the entire workforce. The requirement to identify the data needed by managers at all levels to attract and retain the workforce of tomorrow is even more critical considering that 25% of the Department’s workforce are now eligible to retire. In FY 2001, the Department will initiate 3 workforce-planning pilots, and identify managers who will work with HR to develop, test, and refine automated workforce planning tools and reports. Based on overall program successes, it is expected that at least 3 bureaus will come to depend on the Department’s automated workforce planning tools as their sole source for planning statistics, projections, and information in FY 2002.

Measure 2b: Assess human capital/value of HR services

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Review existing balanced scorecard systems	Develop balanced scorecard methodology	Complete 2 balanced scorecard systems	Achieve 50% of balanced scorecard measures
Actual	Existing systems reviewed	Methodology developed, HR Summit held		
Met/Not Met	Met	Met		

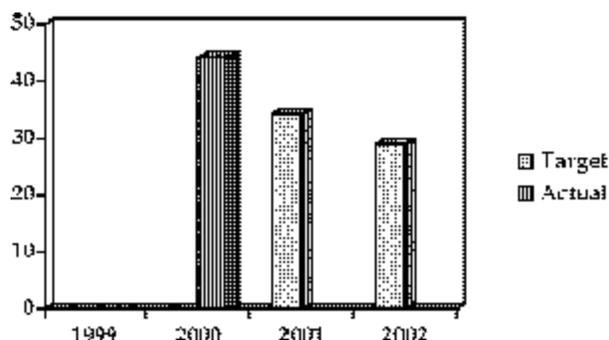
Data Validation and Verification:

Data source: Human Resources Balanced Scorecards
Frequency: Annual
Data storage: DOC-wide reports/databases
Verification: Utility of HTR Balanced Scorecard Systems
Data Limitations: Comparative statistics
Actions to be taken: Develop balanced scorecard methodology, create/refine measures

Explanation of Measure

Target met. GAO’s report *Major Management Challenges and Program Risks Report*, January 2001, states that “the lack of attention to strategic human capital management has created a government-wide risk - one that is fundamental to the Federal Government’s ability to effectively serve the American people now and in the future”. The report also contends that agencies must focus on human capital as a “strategic asset”, including an examination of critical HR functions. The HR Summit, held in August 2000, involved senior managers throughout the Department in generating ideas for changing Commerce’s human resources strategy, and for examining a draft HR Strategic Plan for integrating HR management into all major Department management systems. Use of balanced scorecards will identify those strategic HR functions most critical to management, establish measurable standards, and ensure that there is linkage between the delivery of HR services to overall departmental goals.

Measure 2c: Increase the efficiency and effectiveness of hiring systems



	FY 1999	FY 2000	FY 2001	FY 2002
Target	Create COOL Phase I	Create COOL Phase II, identify average fill time	Create COOL Phase III, reduce fill time to 34 days	Create COOL Phase IV, reduce fill time to 29 days
Actual	COOL Phase I created	COOL Phase II created, fill time identified at 44 days		
Met/Not Met	Met	Met		

Data Validation and Verification:

Data source: Staffing Timeliness Measure (STM) system

Frequency: Semi-Annual

Data storage: STM

Verification: Staffing timeliness studies

Data Limitations: Some manual sorting required

Actions to be taken: Refine system, provide training, oversee issuance of certificates to managers

Explanation of Measure

Target met. In DOC surveys, managers have expressed their displeasure with the timeliness of the hiring process, as well as the number and quality of candidates referred for consideration. In 1999, the Department designed and pilot tested a web-based recruitment and referral system, Commerce Opportunities On Line (COOL) Phase I. In April 2000, the Phase I pilot was replaced with an enhanced version (COOL Phase II) and deployed within a number of DOC bureaus; in October 2000, COOL Phase III was deployed, usable in filling vacancies with non-status, external candidates. COOL user data/statistics are used to make further decisions and refinements on the overall recruitment process. In FY 2002, the system (COOL Phase IV) will be used to reduce the time needed to open vacancy announcements.

Measure 2d: Increase recruitment opportunities/improve diversity

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Determine greatest diversity voids	Finalize MOUs with 5 HSIs, market student resumes	Develop/implement resume tracking system; sponsor 9 recruitment activities; market 140 resumes	Refine tracking system, sponsor 15 recruitment activities, market 200 resumes
Actual	Greatest diversity voids determined; workforce has 3% staff of Hispanic origin	Finalized MOUs with 9 HSIs, marketed 121 resumes with DOC managers		
Met/Not Met	Met	Met		

Data Validation and Verification:

Data source: Inventory transmittal letters
Frequency: Annual
Data storage: Office chronology files
Verification: Executive Secretariat
Data Limitations: None
Actions to be taken: Measure trends over time

Explanation of Measure

Target met. Commerce workforce is comprised of only 3% of those of Hispanic heritage, while the civilian labor force has 11%. Considering the impending retirements of many of the Department’s workers and striving to become an “Employer of First Choice”, we need to develop a steady supply of high quality, diverse candidates to ensure appropriate recruitment pools. Currently, we have entered into formal Memoranda of Understanding (MOU) with nine colleges and universities—Hispanic Serving Institutions (HSIs)—calling for information-sharing about education, training, employment, and research opportunities at the Department of Commerce and university endeavors which meet the requirements of DOC-mission-related careers. In FY 2002, we will develop a resume tracking system and expand our recruitment efforts.

Measure 2e - Increase the alignment of performance management with mission accomplishment/overall recognition

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Enter performance ratings/awards into NFC database with 95% accuracy	Develop web-based combined performance management and awards handbook	Design tracking system for aligning ratings with mission accomplishment/overall recognition	Achieve 75% linkage in pilot test between individual ratings and high-performing organizations
Actual	Information entered with 95% accuracy	Combined performance management and awards handbook completed		
Met/Not Met	Met	Met		

Data Validation and Verification:

Data source: Human Resource Data System (HRDS)

Frequency: Annual

Data storage: HRDS database

Verification: Performance management completion rate

Data Limitations: Some manual record keeping

Actions to be taken: Implement new performance management policy, complete analyses

Explanation of Measure

Target met. GAO's *High-Risk Series, An Update*, January 2001, report stated that agencies should instill an organizational climate that promotes high performance and accountability, and that the alignment of individual performance standards with organizational performance measures is a critical aspect of sound human capital management. President Bush reaffirmed this concept in a speech in which he stated his commitment to improving the linkages between individual performance and organizational mission accomplishment. The Department's Office of Human Resource Management (OHRM) will serve as a pilot program in FY 2002 to monitor the linkage between individual performance ratings and organizational accomplishments. To provide guidance to the Department regarding these linkages, OHRM recently combined two related systems (performance management and incentive awards) into one web-based document. With the receipt of the U.S. Office of Personnel Management's new SES performance rating regulations, we are designing a new SES Performance Management System that will include mandatory tracking of SES performance ratings and implementation of the SES balanced scorecard system. Together, these two performance management-related documents will achieve what President Bush has espoused.

Measure 2f—Implement a telecommuting program

	FY 1999	FY 2000	FY 2001	FY 2002
Target	Make managers aware of telecommuting flexibilities	Provide advice to managers in establishing pilot programs	25% of eligible workforce is involved in program	50% of eligible workforce is involved in program
Actual	Managers made aware	3 pilot programs established		
Met/Not Met	Met	Met		

Data Validation and Verification:

Data source: Management data on number of employees participating

Frequency: Quarterly

Data storage: OHRM database

Verification: Number of employees participating

Data Limitations: Manual information gathering

Actions to be taken: Develop Department-wide telecommuting plan, track number of participants, determine if it is supporting mission accomplishment

Explanation of Measure

Target met. Implementation of telecommuting programs across the Federal Government is supported by Public Law 106-346, requiring agencies to establish telecommuting policies, and requiring OPM to provide for the application of the law to 25% of the eligible Federal workforce within six months (by April 23, 2001), and to an additional 25% each year thereafter. Currently within DOC, three organizations — the Office of the Chief Information Officer, the USPTO, and part of NOAA — have established pilot telecommuting programs. The Department acknowledges that the telecommuting program has some practical benefits in addition to complying with the law, and in FY 2002, we will support its expansion to 50% of the workforce.

FY 2000 Program Evaluation for DM Performance Goal 2: Acquire, Manage, and Develop a Diverse, Skilled, and Flexible Staff, Using Information Technology as an Essential tool

The Department of Commerce uses reviews and reports of the Office of Inspector General, the Office of Management and Budget, the Office of Personnel Management, the General Accounting Office and other Congressional organizations, government-wide task force studies which produce (or rely on) objective review criteria, and other sources in conducting evaluations of its Goal 2 activities. In addition, many of the laws cited in this section have specific requirements which are used for comparison and corrective-action planning purposes.

Summary Actions Related to Performance Goal 2

Action Plan

Strategies	Activities
Focus priority attention on issues concerning the aging of the workforce and on ways of attracting more and better job candidates to fill Commerce jobs	<ul style="list-style-type: none"> • Develop automated systems to gather/manage/utilize information • Develop forward-thinking HR policies based on contemporary management approaches • Conduct active outreach programs to seek new workers • Adopt workforce management practices which will attract and retain skilled workers

Cross-Cutting Issues

Intra-DOC

Under the Departmental Management function, the Office of Human Resources Management (OHRM) provides the full range of human resource policy and program development leadership to all Commerce bureaus.

Other Government Agencies

The Office of Human Resource Management represents the Department of Commerce on the full range of human resource issues to other agencies.

Government / Private Sector

The Office of Human Resource Management represents the Department of Commerce on the full range of human resource issues to the private sector, and State and local governmental entities, covering human resource policy and program development oversight.

External Factors and Mitigation Strategies

- A large portion of the workforce is approaching retirement age, and will have to be replaced.
- The growing technological orientation of our work means we are increasing our engagement in a highly competitive marketplace for individuals with skills in science, technology, and related fields.
- The increasing diversity in the American workforce requires us to recruit, train, and retain workers in new ways.
- We have a need to attract new workers to the public sector, which has been portrayed as unattractive and lacking the flexibility sought by new professionals.

FY 2002 Performance Goals

Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals

Corresponding DOC Strategic Goal and Objective

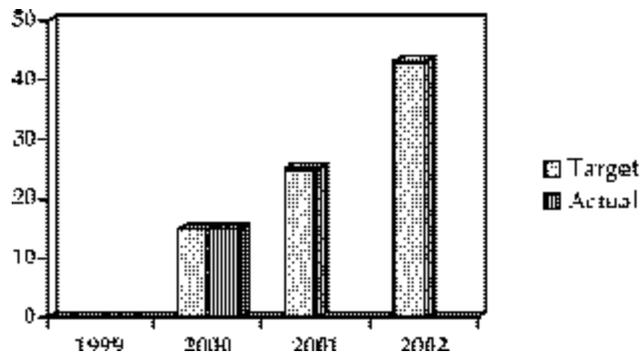
Management Integration Goal 1: Strengthen Management at All Levels

Objective: Promote Efficient and Effective Resources Management

Rationale for Performance Goal

As the American society becomes increasingly oriented toward electronic means of communication and information dissemination, Federal agencies must ensure that they continue to be as responsive as possible to the needs of the private sector, to other levels of government, and other Federal agencies. This requires that we develop and implement new approaches to electronic communication, and that our existing systems are able to perform at the highest levels.

Measure 3a: Increase the goods and services provided via electronic means



	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	15	25	43
Actual	New	15		
Met/Not Met		Met		

Data Validation and Verification:

Data source: Bureau IT offices

Frequency: Annual

Data storage: Bureau files and DM CIO files

Verification: Departmental and outside reviews

Actions to be Taken: Review transactions to assess need for transition to electronic process and provide for electronic signature

Explanation of Measure

Through the Government Paperwork Elimination Act (GPEA), Congress has set a goal that the Federal Government will offer its services and transactions on line by October 2003, to the extent practicable. In its October 2000 GPEA Plan, the Department identified 235 transaction types being carried out between DOC offices, bureaus, and the public, including selected Census surveys. This performance measure provides a cumulative count of paper-based transactions that we are targeting for conversion to electronic means.

Measure 3b - Increase the IT Planning and Investment Review program maturity (on a score of 0-5)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	2	50% at 3 or above
Actual	New	1		
Met/Not Met				

Explanation of Measure

NOTE: (This explanation also applies to the following two Performance Measures.) To assist the bureau CIOs and to achieve a level of comparability across bureaus, the Office of the CIO is providing them with maturity scales, which are coming into use across the Federal Government as objective ways to assess the progress of IT and related initiatives in achieving program goals. The scoring for these scales is made on a basis of 0-5 (5 is the highest), according to standard criteria developed by IT experts. The maturity scale for the IT Architecture Program has been approved by Commerce's CIO Council; Commerce will use the Federal CIO Council's IT Security Assessment Framework to measure the IT Security Program; the maturity scale for the IT Planning and Investment Review Program is under development based on the General Accounting Office's guidance for IT investment management.

The Commerce IT planning process requires that each operating unit develop strategic and operational IT plans. The purpose of the strategic IT plan is to focus attention on the high-level, strategic application of IT to Departmental missions. Operational IT plans are then developed to show the detailed actions and resources necessary to achieve strategic plan goals.

Measure 3c - Increase the IT architecture program maturity (on a score of 0-5)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	2	50% at 3 or above
Actual	New	1		
Met/Not Met				

Explanation of Measure

An IT Architecture Affinity Group, composed of members from across the Department, has established IT architecture guidelines, evaluation criteria, and a maturity scale. A high-level Enterprise Architecture Plan serves as the overarching driver for Commerce's architecture efforts. Each Commerce operating unit is developing its own IT Architecture, in line with the Departmental plan and following the guidelines and criteria prepared by the IT Architecture Affinity Group.

Measure 3d - Increase the IT security program maturity (on a score of 0-5)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	50% at 1 or above	75% at 2 or above
Actual	New	<1		
Met/Not Met				

Explanation of Measure

The IT Security Program implements policies, standards, and procedures to ensure an adequate level of protection for IT systems, whether maintained in-house or commercially. Commerce’s IT Security Program includes the preparation of risk assessments, security plans, contingency plans, and certification and accreditation of unclassified and classified IT system to ensure the confidentiality, availability, and integrity of the Department’s IT resources.

FY 2000 Program Evaluation for DM Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals

The Department of Commerce uses reviews and reports of the Office of Inspector General, the Office of Management and Budget, the General Accounting Office and other Congressional organizations, government-wide task force studies which produce (or rely on) objective review criteria, and other sources in conducting evaluations of its Goal 3 activities. In addition, many of the laws cited in this section have specific requirements which are used for comparison and corrective-action planning purposes.

Summary Actions Related to Performance Goal 3

Action Plan

Strategies	Activities
Bring IT and program activities into closer alignment, and ensure that IT systems support program activities	<ul style="list-style-type: none"> • Use electronic means of providing Commerce goods and services to the public • Assess the maturity of Commerce IT systems and develop ways to ensure their continued improvement

Cross-Cutting Activities

Intra-DOC

Under the Departmental Management function, the Office of the Secretary works with all bureaus on a regular basis, across the full range of IT policy development and program and management topics.

Other Government Agencies

Under the Departmental Management function, the Office of the Secretary works with virtually all inter-agency organizations and numerous Federal agencies on a regular basis, across the full range of IT policy development and program and management topics.

Government / Private Sector

Under the Departmental Management function, the Office of the Secretary works with all segments of the private sector bureaus on a regular basis, across the full range of IT policy development and program and management topics.

External Factors and Mitigation Strategies

The rapidly changing information technology environment, including changes in hardware, software, applications, Internet use, and the user community all impact our IT functions.

Appendix A: Comparison of FY 2000 Targets and Actual

Strategic Goal 1: Provide the Information and the Framework to Enable the Economy to Operate					
	FY 1999	Actual	FY 2000	Target	FY 2000
Economic Development Administration					
Performance Goal 1: Create jobs and private enterprise in distressed					
Number of permanent jobs created or retained in distressed communities	New	5,651 by FY 2003	12,056	- (1)	
Private sector dollars invested in distressed communities	New	\$200M by FY 2003 \$1.0B by FY 2006 \$2.0B by FY 2009	\$199M	- (2)	
State and local dollars committed	\$383M	\$197M	\$347M	-	
Percent of grants to areas of highest distress	36%	30%	45%	-	
Reduce application processing time	Baseline established	74.7 days	72.5 days	- (3)	
Performance Goal 2: Build local capacity to achieve and sustain economic growth					
Percent of sub-state jurisdiction members actively participating in the Economic Development District Program	New	75%	95%	-	
Percent of Economic Development District and Indian tribe planning grantees whose Comprehensive Economic Development Strategy (CEDS) is on time and acceptable	New	75%	46%		-
Percent of University Center clients rating technical assistance received as a 7 on a 1 to 10 scale. (10 is best)	New	75%	84%	-	
Percent of Trade Adjustment Assistance Center clients rating assistance received as a 7 on a 1 to 10 scale. (10 is best)	New	75%	95%	-	
Number of research and national technical assistance results published or presented nationally each year	6	5	7	-	

¹ Number of jobs created or retained represents a long-term measure. The FY 2000 actual is based on targets set in FY 1997. The FY 1997 target was 5,040 by FY 2000

² The amount of private sector dollars invested represents a long-term measure. The FY 2000 actual is based on targets set in FY 1997. The FY 1997 target was \$166 million by FY 2000

³ A baseline was established for FY 1999 using an average of FY 1999 and FY 2000

Strategic Goal 1: Provide the Information and the Framework to Enable the Economy to Operate					
	FY 1999	Actual	FY 2000	Target	FY 2000
Percent of local technical assistance and economic adjustment strategy grants awarded in areas of highest distress	31%	25%	35%	-	
Reduce certification processing time for trade impacted firms	Baseline established	49.4 days	48 days	-(4)	
Economics and Statistics Administration/Bureau of Economic Analysis					
Performance Goal 1: Develop relevant, accurate, and timely national and community economic and household statistics for decision-making					
Reliability of delivery (% of scheduled releases issued on time)	100%	100%	100%	-	
Customer satisfaction (mean rating on 5-point scale)	N/A	>4.0	4.3	-	
Economics and Statistics Administration/Census					
Performance Goal 1: Develop relevant, accurate, and timely national and community economic and household statistics for decision-making					
Percentage of household surveys attaining specified reliability measurements	100%	100%	100%	-	
Percentage of household surveys with initial response rates >90%	100%	100%	100%	-	
Percentage reduction from time of data collection to data release for selected household surveys	9% time decrease	Maintain FY 1999 actual time achieved	Maintain FY 1999 actual time achieved	-	
Performance Goal 2: Conduct the Decennial Census (FY 2000, FY 2001 and					
Disseminate Census 2000 Products	N/A	N/A	N/A	(5)	
International Trade Administration					
Performance Goal 1: Improve American Competitiveness and Access to Foreign Markets by Enforcing Compliance with U. S. Trade Laws and Agreements					
Number of AD/CVD Cases Processed	134	103	185	-	
Dollar value of market openings	\$2.4B	\$2.0B	\$4.0B	-	

⁴ A baseline was established for FY 1999 using an average of FY 1998 and FY 1999

⁵ Dissemination dates for this measure are in FY 2001. Results for this measure will be reported in the FY 2001 Annual Program Performance Report

Strategic Goal 1: Provide the Information and the Framework to Enable the Economy to Operate					
	FY 1999	Actual	FY 2000	Target	FY 2000
Performance Goal 2: Promote Exports by Small and Medium-Sized Enterprises					
New-to-Export Firms	42,351	26,089	33,514	-	
Performance Goal 3: Increase U.S. Exports by Implementing the National Export Strategy Through Government-Wide Coordination of Trade Promotion and					
New-to-Market Firms	67,835	47,437	54,307	-	
Counseling sessions	296,769	292,822	277,080		-
Performance Goal 4: Improve U.S. competitive advantage through global E-commerce					
Dollar value of gross exports supported	\$9.8B	\$10.5B	\$8.9B		-
Bureau of Export Administration					
Performance Goal 1: By use of a dual-use export control system that continuously is refined to respond to changing requirements, transactions that are contrary to U.S. security interests are deterred and transactions without					
Number of high risk transactions deterred	1,160	508	398		-
Number of licensing decisions	12,598	12,500	11,039		-
Average processing time for license applications (days)	40	33	38.8		-
Number of export assistance seminars/conferences	136	115	86		-
Performance Goal 3: The U.S. defense industrial base is healthy and competitive					
Number of strategic industry analyses completed	352	295	397	-	
Performance Goal 4: Violations of dual-use export control laws are identified and violators are sanctioned.					
Number of investigations accepted for criminal or administrative remedies	68	80	93	-	
Number of enforcement outreach visits	1,199	900	1,025	-	
Number of investigations completed	1,042	1,300	1,260		-
Number of end-use visits conducted	869	680	965	-	

Strategic Goal 1: Provide the Information and the Framework to Enable the Economy to Operate					
	FY 1999	Actual	FY 2000	Target	FY 2000
Performance Goal 5: Export controls of key nations are strong and effective					
Number of nonproliferation and export control international cooperative exchanges	45	30	39	-	
Minority Business Development Agency					
Performance Goal 1: Improve opportunities for minority-owned businesses to have access to the marketplace					
Dollar value of contracts awarded to assisted minority-owned businesses	\$616M	\$620M	\$1.152B	-	
Performance Goal 2: Improve the opportunities for minority-owned					
Number of financial packages received by assisted minority-owned businesses	755	858	556		-
Dollar value of financial packages to assisted minority-owned business	\$709M	\$900M	\$215M		-
National Telecommunication and Information Administration					
Performance Goal 1: Promote competition within the telecommunications sector and promote universal access to telecommunications services for all Americans					
Number of reports, filings, testimony and speeches	New	30	32	-	
Performance Goal 3: Ensure allocation of radio spectrum—a scarce resource essential to all communications—provides the greatest benefit to all people					
Number of new agency requested spectrum assignments actions	80,181	80,000	90,615	-	

Strategic Goal 2: Provide Infrastructure for Innovation to Enhance American Competitiveness					
	FY 1999	Actual	FY 2000	Target	FY 2000
The United States Patent and Trademark Office					
Performance Goal 1: Strengthen intellectual property protection in the United States and abroad, making it more accessible, affordable and enforceable					
Increase in technical assistance to developing countries and countries moving to market economy: Number of technical assistance activities completed	99	102	106	-	
Performance Goal 2: Enhance the quality of patent products and services, transition to E-Government and optimize patent processing time					
Percent of customers satisfied overall	57%	60%	64%	-	
Average pendency to issue/abandonment (months)	25.0	26.2	25.0	-	
Performance Goal 3: Enhance the quality of trademark products and services, transition to E-Government and minimize trademark processing time					
Percent of customers satisfied overall	69%	72%	65%		-
Average time to examiner's first action (months)	4.6	4.5	5.7		-
Average time to disposal or registration (months)	18.9	18.0	17.3	-	
Technology Administration (NIST-NTIS-OTP)					
Performance Goal 1: Promote technology-based growth through partnerships with industry					
Number of roundtables, seminars, and negotiations	25	25	30	-	
Performance Goal 2: Provide technical leadership for the nation's measurement and standards infrastructure and ensure the availability of essential reference data and measurement capabilities					
Quality assessment and performance evaluation using peer review	N/A	N/A	N/A	(6)	
Economic impact studies	N/A	N/A	N/A	(6)	
Standard reference materials available	1,288	1,300	1,292		-
Standard Reference Data titles available	60	63	63	-	
Number of items calibrated	3,118	3,200	2,969		-
Technical publications produced	2,030	2,450	2,115		-

* This measure is inherently qualitative and non-cumulative and therefore numerical targets and performance data are not applicable. See TA section of this report for full explanation.

Strategic Goal 2: Provide Infrastructure for Innovation to Enhance American Competitiveness					
	FY 1999	Actual	FY 2000	Target	FY 2000
Performance Goal 3: Accelerate technological innovation and development of the new technologies that will underpin future economic growth					
Economic impact studies	N/A	N/A	N/A	(6)	
Cumulative number of technologies under commercialization	120	170	N/A	(7)	
Cumulative number of publications	468	680	N/A		(8)
Cumulative number of patents filed	616	770	N/A		(8)
Performance Goal 4: Improve the technological capability, productivity and competitiveness of small manufacturers					
Increased sales attributed to MEP assistance	\$447M	\$670M	N/A	(7)	
Capital investment attributed to MEP assistance	\$576M	\$864M	N/A	(7)	
Cost savings attributed to MEP assistance	\$364M	\$545M	N/A	(9)	
Performance Goal 5: Assist U.S. businesses and other organizations in continuously improving their productivity, efficiency, and customer satisfaction by adopting quality and					
Number of applications per year to MBNQA and Baldrige-based state and local quality awards	1,067	916	Partial data— 789	(10)	
Number of Baldrige Criteria mailed by the BNQP and by Baldrige-based state and local quality programs	211,028	197,600	Partial data— 169,783	(10)	
Performance Goal 7: Collect, organize, preserve, and disseminate government scientific, technical, and business-related					
Number of items in archive	2,874,416	2,924,416	2,916,204		-
Number of documents reproduced from electronic media	721,295	750,000	805,332	-	

⁶ This measure is inherently qualitative and non-cumulative and therefore numerical targets and performance data are not applicable. See TA section of this report for full explanation.

⁷ Data for FY 2000 actual data will be available in mid-late 2001 due to data collection lag. FY 1999 target was met

⁸ Data for FY 2000 actual data will be available in mid-late 2001 due to data collection lag. FY 1999 target was not met

⁹ Data for FY 2000 actual data will be available in mid-late 2001 due to data collection lag. No target existed in FY 1999 since there was a new measure

¹⁰ Partial data was collected in FY 2000 so an assessment as to whether target was met cannot be made at this time. Full data will be available by June, 2001

Strategic Goal 2: Provide Infrastructure for Innovation to Enhance American Competitiveness					
	FY 1999	Actual	FY 2000	Target	FY 2000
National Telecommunication and Information Administration					
Performance Goal 4: Promote the availability and support new sources of advanced telecommunications and					
Number of models/grants available for non-profit or public sector organizations	43	50	35		-

Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth					
	FY 1999	Actual	FY 2000	Target	FY 2000
National Oceanic and Atmospheric Administration					
Performance Goal 1: Build Sustainable Fisheries					
Fewer overfished fisheries (25% by 2005)	-4%	-8%	-7%	-	
Stocks having sufficient essential fish habitat (60% by 2005)	N/A	10%	10%	-	
Increase in employment in non-capture fishing and other sectors in fishing communities (9% by 2005)	0	1%	N/A	(11)	
Increase in economic contribution of aquaculture to Gross Domestic Product (17% by 2005)	0	2%	N/A	(11)	
Performance Goal 2: Sustain Healthy Coasts					
Number of acres of coastal habitat restored (cumulative)	43,000	55,000	45,000		-
Number of U.S. coastal regions with reduced introductions and impacts on non-indigenous species (total of 6 regions)	0	1	1	-	
Percent of U.S. shoreline and inland areas with improved ability to identify extent and severity of coastal hazards	5%	14%	6%		-
Percentage of U.S. coastline with threats to habitat assessed and ranked	4%	5%	8%	-	
Percentage of state coastal nonpoint pollution control programs approved (percentage of 35 coastal states)	83%	86%	83%		-
Performance Goal 3: Recover Protected Species					
Reduce the probability of extinction of 5 out of 23 threatened species	N/A	N/A	N/A	(12)	
Mortality of strategic marine mammal stocks incidental to commercial fishing operations in 6 fisheries will be at insignificant levels	N/A	N/A	N/A	(12)	
Reduce the probability of extinction of 8 endangered species (cumulative)	N/A	N/A	N/A	(12)	
Number of recovery plans developed	24	27	27	-	
Number of recovery plans' priority activities implemented (annual)	15	20	20	-	
Number of species with status improved (annual)	15	16	16	-	

¹¹ For FY 2000, the results will not be available until relevant data are released later in FY 2001

¹² Baseline data are now being collected to be reported on in FY 2001

Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth					
	FY 1999	Actual	FY 2000	Target	FY 2000
Number of investigations of human-induced and other sources of mortality (annual)	10	15	15	-	
Cooperative conservation programs implemented (cumulative)	10	10	10	-	
Performance Goal 4: Advance Short-term Warnings and Forecasts					
Increase lead time (minutes), accuracy (%), and decrease false alarm rate (FAR) (%) for severe weather warnings for Tornadoes	Lead time— 12 min Accuracy 70% FAR—72%	Lead time— 12 min Accuracy— 70% FAR—65%	Lead time— 10 min Accuracy— 63% FAR—77%		-
Increase lead time (minutes) for severe weather warnings for Flash Floods Increase accuracy (%), for severe weather warnings for Flash Floods	41 min 83%	55 min 86%	43 min 86%	- (13)	- (13)
Increase lead time (hours) of warnings for Hurricanes	Lead time— 19 hours	Lead time— 20 hours	N/A	(14)	
Increase accuracy (%) of 3-day forecast of precipitation	N/A*	20%	16%		-
Increase lead time (hours) for warnings for Winter Storms Increase accuracy (%), for warnings for Winter Storms	11 hours 85%	12 hours 85%	9 hours 85%	- (13)	- (13)
Increase accuracy and decrease false alarm rate (FAR) (%) of forecasts of ceiling and visibility (Aviation Forecasts)	Accuracy— 19% FAR—52%	Accuracy— 20% FAR—53%	Accuracy— 15% FAR—54%		-
Increase accuracy (%) of forecast for winds and waves (Marine Forecasts)	Accuracy— 50%	Accuracy— 51%	Accuracy— 50%		-
Performance Goal 5: Implement Seasonal to Interannual Climate Forecasts					
ENSO (El Niño/Southern Oscillation) Forecasts—Accuracy (correlation)	.85	.85	.84		-
U.S. temperature—skill score	23.3	20	25	-	
New and improved data sets developed and produced (cumulative per year)	19	25	25	-	
Global Ocean-Atmosphere-Land System experiments implemented (percentage)	20	25	25	-	

¹³ This is one measure with two parts

¹⁴ No hurricanes made landfall in FY 2000. Therefore there was no actual data

Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth					
	FY 1999	Actual	FY 2000	Target	FY 2000
Performance Goal 6: Predict and Assess Decadal to Centennial Change					
Document the "turnover" of CFC source gases in order to verify the effectiveness of global policy actions	1	N/A	N/A	(15)	
Publish updated trend results of air quality measurements	1	N/A	N/A	(16)	
Lead development of a peer-reviewed initial assessment of regional ozone in North America, including summarizing results for customers	1	N/A	N/A	(17)	
Results of 90% of the research activities cited in the 2001 IPCC Third Assessment of Climate Change	N/A	N/A	N/A	(17)	
Performance Goal 7: Promote Safe Navigation					
Percent reduction in the backlog (square nautical miles) of hydrographic surveys for critical areas (cumulative)	20.7	24.3	24.3	-	
Cumulative Percent of National Spatial Reference System (NSRS) complete to provide a common geographic framework tied to the Global Position System	59	64	71	-	
Number of PORTS in place to provide quality-assured data in real-time for safe navigation	7	7	9	-	

¹⁵ These publications are produced every 3-5 years

¹⁶ These measurements are produced every other year

¹⁷ It takes 5 years to collect and analyze sufficient data to create a report on these data

Management Integration Goal: Strengthen Management at All Levels					
	FY 1999	Actual	FY 2000	Target	FY 2000
Departmental Management					
Performance Goal 1: Acquire and Manage the Fiscal and Related Resources Necessary to Support Program Goals					
Maintain 100 percent funds covered by	100%	100%	100%	-	
Meet milestones in implementing the Department-wide financial system (cumulative)	Systems implemented in 1 bureau	Implement systems in 5 bureaus	Systems implemented in 5 bureaus	-	
Reduce energy consumption per square foot	33%	25%	34%	-	
Protect information and staff at field sites from risk/ disaster	12	10	10	-	
Increase grants and cooperative agreements to Minority Serving Institutions	\$13.6M	\$27.4M	\$33.2M	-	
Increase transactions using credit card purchasing	288,268 transactions	75% of actions below \$25K	88% of actions below \$25K	-	
Increase percent of total obligations awarded as contracts to small firms	SB: 42.0%	SB: 40%	SB: 34.3%		- (18)
Increase percent of total obligations awarded as contracts to minority-owned, and women-owned firms	MB: 14.1% WO: 5.2%	MB: 18% WO: 5%	MB: 20.4% WO: 6.1%	- (18)	
Expand A-76 competitions and more accurate FAIR Act inventories	Inventory submitted on 7/9/99	Complete commercial inventory by 6/30/00	Inventory submitted on 6/30/00	-	

¹⁸ Small Business (SB), Minority Business (MB), and Women-owned Business (WO)

Management Integration Goal: Strengthen Management at All Levels					
	FY 1999	Actual	FY 2000	Target	FY 2000
Performance Goal 2: Acquire, Manage, and Develop a Diverse, Skilled, and Flexible Staff, Using Information Technology as an Essential Tool					
Develop process to identify current/projected mission-related workforce needs	Vacancies monitored	Develop Workforce Analysis Plan, research automated tools	Plan developed, tools identified	-	
Assess human capital/value of HR services	Existing systems reviewed	Develop balanced scorecard methodology	Methodology developed, HR Summit held	-	
Increase the efficiency and effectiveness of hiring systems	COOL Phase I created	Create COOL Phase II, identify average fill time	COOL Phase II created, fill time identified at 44 days	-	
Increase recruitment opportunities/improve diversity	Greatest diversity voids determined; workforce has 3% staff of Hispanic origin	Finalize MOUs with 5 HSIs, market student resumes	Finalized MOUs with 9 HSIs, marketed 121 resumes with DOC managers	-	
Increase the alignment of performance management with mission accomplishment/ overall recognition	Information entered with 95% accuracy	Develop web-based combined performance management and awards handbook	Combined performance management and awards handbook completed	-	
Implement a telecommuting program	Managers made aware	Provide advice to managers in establishing pilot programs	3 pilot programs established	-	
Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals					
Increase the goods and services provided via electronic means	New	15	15	-	

Appendix B: Comparison of FY 2001 and FY 2002 Targets

Strategic Goal 1: Provide the Information and the Framework to Enable the Economy to Operate Efficiently and Equitably		
Economic Development Administration		
Performance Goal 1: Create jobs and private enterprise in distressed communities		
Number of permanent jobs created or retained in distressed communities	7,201 by FY 2004 36,003 by FY 2007 72,006 by FY 2010	5,790 by FY 2005 28,948 by FY 2008 57,895 by FY 2011
Private sector dollars invested in distressed communities	\$0.24B by FY 2004 \$1.20B by FY 2007 \$2.41B by FY 2010	\$0.19B by FY 2005 \$0.97B by FY 2008 \$1.94B by FY 2011
State and local dollars committed	\$344M	\$277M
Percent of grants to areas of highest distress	40%	40%
Reduce application processing time	68.1 Median Days (6% decrease)	64.0 Median Days (6% decrease)
Dollars invested in technology-related projects in distressed areas	Baseline	TBD (1)
Performance Goal 2: Build local capacity to achieve and sustain economic growth		
Percent of sub-state jurisdiction members actively participating in the Economic Development District Program	85%	85%
Percent of Economic Development District and Indian tribe planning grantees whose Comprehensive Economic Development Strategy (CEDS) is on time and acceptable	60%	65%
Percent of University Center clients rating technical assistance received as a 7 on a 1 to 10 scale. (10 is best)	75%	75%
Percent of Trade Adjustment Assistance Center clients rating assistance received as a 7 on a 1 to 10 scale. (10 is best)	85%	85%
Number of research and national technical assistance results published or presented nationally each year	8	8
Percent of local technical assistance and economic adjustment strategy grants awarded in areas of highest distress	30%	30%
Reduce certification processing time for trade impacted firms	8% decrease (47.4 days)	12% decrease (45.3 days)
Economics and Statistics Administration/Bureau of Economic Analysis		
Performance Goal 1: Develop relevant, accurate, and timely national and community economic and household statistics for decision-making		
Timeliness of GDP (international ranking)	1 st	1 st
Reliability of delivery (% of scheduled releases issued on time)	100%	100%
Customer satisfaction (mean rating on 5-point scale)	4.3	4.3

¹ EDA will establish targets upon completion of the baseline analysis for this new measure in September 2001

Strategic Goal 1: Provide the Information and the Framework to Enable the Economy to Operate Efficiently and Equitably		
Economics and Statistics Administration/Census		
Performance Goal 1: Develop relevant, accurate, and timely, national and community economic and household statistics for decision-making		
Percentage of household surveys attaining specified reliability measurements	100%	100%
Percentage of household surveys with initial response rates >90%	100%	100%
Percentage reduction from time of data collection to data release for selected household surveys	Maintain FY 1999 actual time achieved	Maintain FY 1999 actual time achieved
Percentage of principal economic indicators released as scheduled	New	100% on time
Performance Goal 2: Conduct the Decennial Census (FY 2000, FY 2001 and FY 2002)		
Disseminate Census 2000 Products	100% of scheduled releases	100% of scheduled releases
Performance Goal 3: Define—through consultations, policy assessment, planning, research, experiments, and evaluations—the plan for the 2010 Census		
Percentage completion of housing unit and address list	New	Prepare plan and systems by end of FY 2002 to measure housing unit coverage of the address list. List is at least as complete as it was for Census 2000, as measured by the Accuracy and Coverage Evaluation
Release 2001 data from Long-form Transitional Database (LFTDB)	New	Complete all field activities supporting the release of 2001 data from LFTDB in July 2002
International Trade Administration		
Performance Goal 1: Improve American Competitiveness and Access to Foreign Markets by Enforcing Compliance with U. S. Trade Laws and Agreements		
Number of AD/CVD Cases Processed	185	185
Performance Goal 2: Promote Exports by Small and Medium-Sized Enterprises (SMEs)		
New-to-Export Firms	30,336	30,005
Performance Goal 3: Increase U.S. Exports by Implementing the National Export Strategy Through Government-Wide Coordination of Trade Promotion and Trade Finance Programs		
New-to-Market Firms	54,779	53,958

Strategic Goal 1: Provide the Information and the Framework to Enable the Economy to Operate Efficiently and Equitably		
Bureau of Export Administration		
Performance Goal 1: By use of a dual-use export control system that continuously is refined to respond to changing requirements, transactions that are contrary to U.S. security interests are deterred and transactions without proliferation potential are facilitated		
Number of high risk transactions deterred	512	512
Performance Goal 2: The United States is in full compliance with the Chemical Weapons Convention (CWC) and all confidential business information of U.S. companies subject to inspection under the CWC is effectively protected		
Number of U.S. facilities in compliance with the CWC regulations	New	754
Performance Goal 3: The U.S defense industrial base is healthy and competitive		
The dollar value of contracts won in international competitions by U.S. defense firms	New	\$2B
Performance Goal 4: Violations of dual-use export control laws are identified and violators are sanctioned		
Number of investigations accepted for criminal or administrative remedies	70	75
Performance Goal 5: Export controls of key nations are strong and effective		
Number of targeted deficiencies remedied in the export control systems of cooperating transit or exporting nations	New	20
Performance Goal 6: The nation's various independent and interdependent infrastructure components are secured in accordance with an integrated plan		
Number of agency plans implemented within the framework of the National Critical Infrastructure Protection Plan	New	4
Minority Business Development Agency		
Performance Goal 1: Improve opportunities for minority-owned businesses to have access to the marketplace		
Dollar value of contracts awarded to assisted minority-owned businesses	\$.7B	\$.7B
Performance Goal 2: Improve the opportunities for minority-owned businesses to pursue financing		
Number of financial packages received by assisted minority-owned businesses	925	925
Dollar value of financial packages to assisted minority-owned business	\$1.0B	\$1.0B
National Telecommunication and Information Administration		
Performance Goal 1: Promote competition within the telecommunications sector and promote universal access to telecommunications services for all Americans		
Number of reports, filings, testimony and speeches	30	30

Strategic Goal 1: Provide the Information and the Framework to Enable the Economy to Operate Efficiently and Equitably		
Performance Goal 2: Minimize the effects of crisis by preparing the U.S. telecommunications and information infrastructure protection programs		
Increase the number of State, city, and county governments actively engaged in critical infrastructure protection programs	New	1
Performance Goal 3: Ensure allocation of radio spectrum—a scarce resource essential to all communications—provides the greatest benefit to all people		
Number of new agency requested spectrum assignments actions	91,000	91,000

Strategic Goal 2: Provide Infrastructure for Innovation to Enhance American Competitiveness		
International Trade Administration		
Performance Goal 4: Improve U.S. Competitive Advantage through Global E-Commerce		
Number of new subscribers using BuyUSA.com e-services	5,000	5,400
The United States Patent and Trademark Office		
Performance Goal 1: Strengthen intellectual property protection in the United States and abroad, making it more accessible, affordable and enforceable		
Increase in technical assistance to developing countries and countries moving to market economy: Number of technical assistance activities completed	105	125
Performance Goal 2: Enhance the quality of patent products and services, transition to E-Government and optimize patent processing time		
Percent of customers satisfied overall	67%	64%
Percent of patents granted that do not qualify for term extension for exceeding 36 months	86%	78%
Average pendency to issue/abandonment (months)	26.2	26.7
Performance Goal 3: Enhance the quality of trademark products and services, transition to E-Government and minimize trademark processing time		
Percent of customers satisfied overall	65%	60%
Average time to examiner's first action (months)	6.6	8.0
Average time to disposal or registration (months)	19.0	20.0
Technology Administration (NIST-NTIS-OTP)		
Performance Goal 1: Promote technology-based growth through partnerships with industry		
Number of roundtables, seminars, and negotiations	25	30
Performance Goal 2: Provide technical leadership for the nation's measurement and standards infrastructure and ensure the availability of essential reference data and measurement capabilities		
Quality assessment and performance evaluation using peer review	(2)	
Economic impact studies	(2)	
Standard reference materials available	1,315	1,350
Standard Reference Data titles available	66	68
Number of items calibrated	3,100	2,900
Technical publications produced	2,200	2,050

² Peer review and economic impact studies are not cumulative; therefore, numerical targets and performance data are not applicable and are not provided here.

Strategic Goal 2: Provide Infrastructure for Innovation to Enhance American Competitiveness		
Performance Goal 3: Accelerate technological innovation and development of the new technologies that will underpin future economic growth		
Economic impact studies	(2)	
Cumulative number of technologies under commercialization	180	210
Cumulative number of publications	720	830
Cumulative number of patents filed	790	940
Performance Goal 4: Improve the technological capability, productivity and competitiveness of small manufacturers		
Increased sales attributed to MEP assistance	\$708M	\$736M
Capital investment attributed to MEP assistance	\$913M	\$949M
Cost savings attributed to MEP assistance	\$576M	\$599M
Performance Goal 5: Assist U.S. businesses and other organizations in continuously improving their productivity, efficiency, and customer satisfaction by adopting quality and performance improvement practices		
Number of applications per year to MBNQA and Baldrige-based state and local quality awards	935	954
Number of Baldrige Criteria mailed by the BNQP and by Baldrige-based state and local quality programs	193,600	191,700
Performance Goal 6: Protect the national information infrastructure		
Activity milestones related to program establishment	Successful establishment	Measures to be established (3)
Performance Goal 7: Collect, organize, preserve, and disseminate government scientific, technical, and business-related information		
Number of items in archive	2,966,200	3,016,200
Number of documents reproduced from electronic media	580,000	850,000
National Telecommunication and Information Administration		
Performance Goal 4: Promote the availability and support new sources of advanced telecommunications and information services		
Number of models/grants available for non-profit or public sector organizations	80	30

³ Milestones for program establishment have been established and are explained in the performance measurements section of this APPR/APP.

Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth		
National Oceanic and Atmospheric Administration		
Performance Goal 1: Build Sustainable Fisheries		
Fewer overfished fisheries (25% by 2005)	1%	6%
Stocks having sufficient essential fish habitat (60% by 2005)	40%	40%
Increase in employment in non-capture fishing and other sectors in fishing communities (9% by 2005)	2%	TBD (4)
Increase in economic contribution of aquaculture to Gross Domestic Product (17% by 2005)	4%	7%
Performance Goal 2: Sustain Healthy Coasts		
Number of acres of coastal habitat restored (cumulative)	70,000	TBD (5)
Number of U.S. coastal regions with reduced introductions and impacts on non-indigenous species (total of 6 regions)	2	2
Percent of U.S. shoreline and inland areas with improved ability to identify extent and severity of coastal hazards	6%	TBD (5)
Performance Goal 3: Recover Protected Species		
Reduce the probability of extinction of 5 out of 23 threatened species (annual)	2	2
Mortality of strategic marine mammal stocks incidental to commercial fishing operations in 6 fisheries will be at insignificant levels (cumulative)	2	6
Reduce the probability of extinction of 8 endangered species (cumulative)	3	6
Performance Goal 4: Advance Short-term Warnings and Forecasts		
Increase lead time (minutes), accuracy (%), and decrease false alarm rate (FAR) (%) for severe weather warnings for Tornadoes	Lead time – 13 min Accuracy— 72% FAR—68%	Lead time 13 min Accuracy 74% FAR—64%
Increase lead time (minutes) and accuracy (%) for severe weather warnings for Flash Floods	Lead time— 45 min Accuracy— 86%	Lead time 48 min Accuracy 87%
Increase lead time (hours) of warnings for Hurricanes	21 hours	22 hours
Increase accuracy (%) of 3-day forecast of precipitation	22%	24%
Increase lead time (hours) and accuracy (%) for warnings for Winter Storms	Lead Time 13 hours Accuracy— 86%	Lead Time 14 hours Accuracy 87%
Increase accuracy and decrease false alarm rate (FAR) (%) of forecasts of ceiling and visibility (Aviation Forecasts)	Accuracy— 21% FAR—51%	Accuracy 23% FAR—41%
Increase accuracy (%) of forecast for winds and waves (Marine Forecasts)	53%	55%

⁴ For FY 2002, the targets will be determined based on FY 2000 actual available in July 2001.

⁵ The target for FY 2002 is currently under review pending the recalibration of this performance measure

Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth		
Performance Goal 5: Implement Seasonal to Interannual Climate Forecasts		
ENSO (El Niño/Southern Oscillation) Forecasts—Accuracy (correlation)	.85	.85
U.S. temperature—skill score	20	26
Number of new monitoring or forecast products that become operational/year	4	4
New climate observations introduced	120	150
Performance Goal 6: Predict and Assess Decadal to Centennial Change		
Document the “turnover” of CFC source gases in order to verify the effectiveness of global policy actions	N/A (6)	TBD (7)
Publish updated trend results of air quality measurements	1	N/A (8)
Lead development of a peer-reviewed initial assessment of regional ozone in North America, including summarizing results for customers	N/A (9)	N/A (9)
Results of 90% of the research activities cited in the 2001 IPCC Third Assessment of Climate Change	90% cited	N/A (9)
Performance Goal 7: Promote Safe Navigation		
Percent reduction in the backlog (square nautical miles) of hydrographic surveys for critical areas (cumulative)	27.8	31.3
Cumulative Percent of National Spatial Reference System (NSRS) complete to provide a common geographic framework tied to the Global Position System	74.8	78

⁶ Data collected and measured only every three years

⁷ Whether or not a report is issued in 2002 depends on the significance of the detected trends

⁸ Data collected and measured only every two years

⁹ Data collected and measured only every five years

Management Integration Goal: Strengthen Management at All Levels		
Departmental Management		
Performance Goal 1: Acquire and Manage the Fiscal and Related Resources Necessary to Support Program Goals		
Maintain 100 percent funds covered by clean audits	100%	100%
Meet milestones in implementing the Department-wide financial system (cumulative)	Implement systems in 9 bureaus	Implement systems in 11 bureaus
Reduce energy consumption per square foot	26%	27%
Protect information and staff from risk/ disaster	10	10
Increase grants and cooperative agreements to Minority Serving Institutions	\$46.0M	\$46.0M
Increase transactions using credit card purchasing	75% of actions below \$25K	75% of actions below \$25K
Increase percent of total obligations awarded as contracts to small firms	SB: 40%	SB: 40%
Increase percent of total obligations awarded as contracts to minority-owned, and women-owned firms	MB: 18% WO: 5%	MB: 18% WO: 5%
Expand A-76 competitions and more accurate FAIR Act inventories	Complete Commercial Inventory by 6/30/01	Expand inventory to include all FTEs, complete conversion competitions on 5% of FTEs
Increase portion of contract funds obligated for performance-based contracting	10%	20%
Expand the application of on-line procurement	50%	100%
Performance Goal 2: Acquire, Manage, and Develop a Diverse, Skilled, and Flexible Staff, Using Information Technology as an Essential tool.		
Develop process to identify current/ projected mission-related workforce needs	Automated tools used by 3 pilot test offices	Automated tools implemented in 3 bureaus
Assess human capital/value of HR services	Complete 2 balanced scorecard systems	Achieve 50% of balanced scorecard measures
Increase the efficiency and effectiveness of hiring systems	Create COOL Phase III, reduce fill time to 34 days	Create COOL Phase IV, reduce fill time to 29 days
Increase recruitment opportunities/ improve diversity	Develop/implement resume tracking system, sponsor 9 recruitment activities, market 140 resumes	Refine tracking system, sponsor 15 recruitment activities, market 200 resumes
Increase the alignment of performance management with mission accomplishment/ overall recognition	Design tracking system for aligning ratings with mission accomplishment/overall recognition	Achieve 75% linkage in pilot test between individual ratings and high-performing organizations
Implement a telecommuting program	25% of eligible workforce is involved in program	50% of eligible workforce is involved in program

Management Integration Goal: Strengthen Management at All Levels		
Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals		
Increase the goods and services provided via electronic means	25	43
Increase IT Planning and Investment Review program maturity (on a score of 0-5)	2	50% at 3 or above
Increase IT architecture program maturity (on a score of 0-5)	2	50% at 3 or above
Increase IT Security program maturity (on a score of 0-5)	50% at 1 or above	75% at 2 or above

Appendix C: Alphabetical List of Acronyms

ACE	Accuracy and Coverage Evaluation
ACES	Annual Capital Expenditure Survey
ACS	American Community Survey
AD	Antidumping
AIPA	American Inventors Protection Act
ANCS II	Automated Nautical Chart System II
APP	Annual Performance Plan
APPR	Annual Program Performance Report
ARC	Appalachian Regional Commission
ASOS	Automated Surface Observing System
ATP	Advanced Technology Program
AWIPS	Advanced Weather Interactive Processing System
BEA	Bureau of Economic Analysis
BEMs	Big Emerging Markets
BIA	Bureau of Indian Affairs
B2B	Business to Business
BIDC	Business and Industry Data Center
BLS	Bureau of Labor Statistics
BWC	Biological Weapons Convention
BXA	Bureau of Export Administration
CAMS	Commerce Administrative Management System
CCL	Commerce Control List
CFIUS	Committee on Foreign Investment in the US
CFO/ASA	Chief Financial Officer/Assistant Secretary of Administration
CIAO	Critical Infrastructure Assurance Office
CIO	Chief Information Officer
CIP	Critical Infrastructure Protection program
CMS	Client Management System
CQR	Court Question Resolution
CVD	Countervailing Duties
CWC	Chemical Weapons Convention
DM	Departmental Management
DOD	Department of Defense
DOE	Department of Energy
DoEd	Department of Education
DOL	Department of Labor
DOT	Department of Transportation
EAA	Export Administration Act
EACs	Export Assistance Centers
EAR	Export Administration Regulations
EAS	Electronic Application System
ECASS	Export Control Automated Support System
EDA	Economic Development Administration
EDD	Economic Development District
ENSO	El Niño Southern Oscillation
EPA	Environmental Protection Agency
ESA	Economics and Statistics Administration
FAA	Federal Aviation Administration
FAIR	Federal Activities Inventory Reform
FBI	Federal Bureau of Investigation

FCC	Federal Communication Commission
FEMA	Federal Emergency Management Agency
FHA	Federal Highways Administration
FMFIA	Federal Managers Financial Integrity Act
FTE	Full-time Equivalent
GAO	General Accounting Office
GBIS	Geographics Business Information System
GDP	Gross Domestic Product
GMF	Government Master File
GMRA	Government Management Reform Act
GOALS	Global Ocean Atmosphere Land System
GOES	Geostationary Operational Environmental Satellite
GPRA	Government Performance and Results Act
GPS	Global Positioning Satellite System
HCHB	Herbert C. Hoover Building
HHS	Department of Health and Human Services
HPC	Hydrometeorological Prediction Center
I&C	Information and Communications
ICM	Integrated Coverage Measurement
ICSP	Interagency Council on Statistical Policy
IMF	International Monetary Fund
IP	Intellectual Property
IPC	International Programs Center
IRAC	Interdepartmental Radio Advisory Committee
IT	Information Technology
ITA	International Trade Administration
ITAA	Information Technology Association of America
ITS	Institute of Telecommunication Sciences
ITU	International Telecommunication Union
JFMIP	Joint Financial Management Improvement Project
LFTB	Long Form Transitional Data Base
MBDA	Minority Business Development Agency
MBEs	Minority-Owned Business Enterprises
MBDC	Minority Business Development Center
MBIP	Minority Business Internet Portal
MBNQP	Malcolm Baldrige National Quality Program
MEDWeek	Minority Enterprise Development Week
MEP	Manufacturing Extension Partnership
MOU	Memorandum of Understanding
NAFTA	North American Free Trade Agreement
NASA	National Aeronautics and Space Administration
NAPA	National Academy of Public Administration
NATO	North Atlantic Treaty Organization
NCISSE	National Colloquium for Information Systems Security Education
NESDIS	National Environmental Satellite, Data, and Information Service
NEXRAD	Next-Generation Weather Radar
NIOSH	National Institute of Occupational Safety and Health
NIPC	National Infrastructure Protection Center
NIST	National Institute of Standards and Technology
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
NOS	National Ocean Service

NRC	Nuclear Regulatory Commission
NRC	National Research Council
NSTC	National Science and Technology Council
NTDB	National Trade Data Bank
NTEs	New-to-Export Firms
NTMs	New-to-Market Firms
NTIA	National Telecommunications and Information Administration
NTIS	National Technical Information Service
NWS	National Weather Service (NOAA)
OAR	Office of Oceanic and Atmospheric Research (NOAA)
OEA	Office of Economic Adjustment
OECD	Organization for Economic Cooperation and Development
OIG	Office of Inspector General
OLIA	Office of Legislative and International Affairs
OMB	Office of Management and Budget
OPCW	Organization for the Prevention of Chemical Weapons
OPM	Office of Personnel Management
ORF	Operations, Research, and Facilities (NOAA)
OSM	Office of Spectrum Management
OSTP	Office of Science and Technology Policy
OTEM	Office of Trade Event Management
OTP	Office of Technology Policy
PAC	Procurement, Acquisition, and Construction
PALM	Patent Application Locator and Monitoring
PBO	Performance-based Organization
PCT	Patent Cooperation Treaty
PDD	Presidential Decision Directive
PECSE	President's Export Council Subcommittee on Encryption
PECSEA	President's Export Council Subcommittee on Export Administration
PLCs	Pre-License Checks
PNGV	Partnership for a New Generation of Vehicles
PORTS	Physical Oceanographic Real-time Telemetry Systems
PTDL	Patent and Trademark Depository Library
PTFP	Public Telecommunications Technology Program
QFP	Quarterly Financial Report
QPF	Quantitative Precipitation Forecast
RLF	Revolving Loan Fund
RWA	Returned Without Action
SAIPEP	Small-Area Income and Poverty Estimates Program
SBA	Small Business Administration
SDC	State Data Center
SED	Shippers Export Declaration
SHC	Sustain Healthy Coasts
SMEs	Small and Medium-sized Enterprises
SMOBE	Survey of Minority-Owned Business Enterprises
SPS	Spectrum Planning Subcommittee
SRD	Standard Reference Data
SRMs	Standard Reference Materials
TA	Technology Administration
TAACS	Trade Adjustment Assistance Centers
TAC	Technical Advisory Committees
TCC	Trade Compliance Center
TD	Trade Development

TDA	Trade and Development Agency
TECS	Treasury Enforcement Computer System
TIA	Telecommunication Industry Association
TIC	Trade Information Center
TIIP	Telecommunications Information Infrastructure Assistance Program
TOP	Technology Opportunities Program
TPCC	Trade Promotion Coordinating Committee
TRAM	Trademark Reporting and Monitoring System
TRIPs	Trade-Related Aspects of Intellectual Properties
UNEP	United Nations Environment Program
URAA	Uruguay Round Agreements Act
USFCS	U.S. and Foreign Commercial Service
USACE	U.S. Army Corps of Engineers
USAF	U.S. Air Force
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USEAC	U.S. Export Assistance Centers
USG	U.S. Government
USPTO	U.S. Patent and Trademark Office
USTA	U.S. Telecommunication Industry Association
USTR	U.S. Trade Representative
WFO	Weather Forecast Office
WIPO	World Intellectual Property Organization
WTO	World Trade Organization